FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Europe

FBIS-EEU-96-124
Wednesday
26 June 1996

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Albania: Meksi Goes to Greece To Attend Papandreou's Funeral

AU2506132996 Tirana ATA in English 1224 GMT 25 Jun 96

[FBIS Transcribed Text] Tirana, June 25 (ATA)—The Chairman of the Council of Ministers Aleksander Meksi left for Greece this morning to attend the funeral ceremony of the Greek Former Prime Minister Andreas Papandreou.

Present to see Meksi off at the Rinas Airport were Ministers Musaraj and Xhaja.

Albania: Party Leaders View CE Election Debate

AU2506142496 Tirana ATA in English 1223 GMT 25 Jun 96

["Political Party Leaders Pronounce Themselves From Strasbourg"—ATA headline]

[FBIS Transcribed Text] Tirana, June 25 (ATA)—Today's newspapers carry pronouncements of several Albanian party leaders from Strasbourg on the parliamentary elections in Albania on May 26, June 2 and June 16, which are under discussion by the Council of Europe.

"The election outcome was a logical result of the political developments in Albania. The people pronounced their verdict through the free vote and we will respect this verdict," the newspaper ALBANIA cites Democratic Party Chairman Tritan Shehu as saying.

The newspaper ZERI I POPULLIT cites the Deputy Chairman of the Socialist Party Servet Pellumbi as saying that: "The fact that Albanian parties were invited to the CE Parliamentary Assembly is a significant moment to show that the democratic Europe and its institutions cannot remain indifferent when seeing that the democratic values are being taken underfoot."

ZERI I POPULLIT also cites the chairman of the Democratic Alliance Party, Neritan Ceka, as saying that: "The organisation of this meeting itself as an urgent gathering of the CE Political Commission shows great preoccupation on the part of the European organisations dealing with the Fundamental Human Rights and Freedoms."

The paper also cites the chairman of the Social-Democratic Party, Skender Gjinushi, as saying that: "All the serious political parties denounced the elections before the European auditorium."

"The left opposition is responsible for boycotting the elections. The elections can not be annulled because this could lead to a dangerous confrontation," the Albanian Republican Party Sabri Godo told the newspaper ALBANIA.

"A common language can be found in Albania. There would be no need for such a meeting. The Albanian simple people are leading a calm and very normal life. Albanians are not demanding the rerun of elections," the chairman of the Social-Democratic Party, Teodor Laco, told the newspaper ALBANIA.

The chairman of the Human Rights Union Party, according to ALBANIA, has said that his party "does not favour vote rerun."

In the May 26 elections in Albania the Democratic Party captured the majority of votes. A week later, the run off elections were held whereas on June 16 elections were repeated in 17 constituencies due to irregularities. The left opposition parties boycotted the elections since in the first round three hours before the polls closed, alleging of manipulation, and did not agree to take part either in the second round elections or in the rerun ones due to irregularities.

Albania: Trial of Academy 'Putsch' Culprits Begins

AU2506124396 Tirana ATA in English 1046 GMT 25 Jun 96

[FBIS Transcribed Text] Tirana, June 24 (ATA)—Under the charge of collective abuse of power a legal process started Monday [24 June], in Tirana Military Court, against the protagonists of 1991 events in the Tirana Military Academy.

Ex-defence minister Kico Mustaqi, ex-commander of academy Arseni Stroka and its ex-commissar Ksenofon Coni will be tried because during 1991 uprising which toppled the harshest dictatorship of Europe, on February 21, 1991 (a day after the pulling down of Enver Hoxha's monument in central Tirana) have ordered the furnishing of cadets with arms.

Two civilians as well as a policeman on duty were killed because of irresponsible shooting. These events were considered an open military putsch, the last efforts to save the communist dictatorship in Albania.

The defendants whereabouts are unknown but according to the Procedural Penal Code they will be tried in absentia. The defendants will be represented in court by attorneys chosen by their families. The Interpol is hunting them down.

According to the EU new regulations which took effect on March 1, 1996 these countries will not extradite searched persons of former communist countries if they are to be tried of political charges. Their search and

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handing over to the organs which have ordered their search only after convicted and sentenced in absentia.

Nine witnesses of today's session have been in official posts in the military academy. They did not accept to have ordered the students' arming because according to them the students' armament was that they had in possession every moment.

The panel had in its disposition an order by Arseni Stroka which ordered officers' furnishing with arms, automatic machine guns and with special bullets for the machine gun of the tank which had moved with his own order.

Chairman of the panel showed to the attendants a map signed by the witness Aleks Andoni ex-deputy commander of the academy code named: "The academy defence scheme against vandal crowds."

It had in details every movement of academy fighting groups in every moment. The panel also showed an order to put the academy in red alert.

The panel decided to hear other witnesses of February 1991 events in another session on July 3, 1996.

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Bulgaria: Gechev Assesses Results of Visit to Croatia

AU2606125496 Sofia Khorizont Radio Network in Bulgarian 0400 GMT 26 Jun 96

[FBIS Translated Text] Late yesterday night, Rumen Gechev, deputy chairman of the Council of Ministers, returned from Zagreb, where he took part in the first session of the joint Bulgarian-Croat Commission on Economic, Industrial-Trade, and Technical Cooperation.

The protocol that was signed outlines the basic economic interests of Bulgaria and Croatia in separate sectors of the two countries' economies. Three intergovernmental agreements have been signed: on mutual protection of investments, on joint development of tourism, and an agreement on vegetation protection.

This is how Rumen Gechev assesses the meetings in Zagreb and the agreements that have been signed:

[Begin recording] In addition to the work of the commission, which ended with a protocol, we also signed an agreement on the mutual protection of investments and an agreement on vegetation protection. We conducted talks and practically completed the preliminary negotiations on the agreement on avoiding double taxation, which will be signed in Sofia when the Croat foreign minister comes to Bulgaria in the near future. In addition, we signed an agreement with the Croat Ministry on Tourism on cooperation not only in tourism from Croatia to Bulgaria and vice versa, but also regarding the development of joint activity for developing the possibilities of tourism in the region and Europe.

I had several meetings at the highest level of the Croat Government, including a meeting with Mr. Davor Stern, minister of economy, who is also Croat cochairman of the joint commission. I invited him to visit Bulgaria, and will he most likely visit in September during the Plovdiv Fair. In addition I met Mr. Borislav Skegro, deputy prime minister for economy and finance, and Dr. Jure Radic, deputy prime minister and minister of development. We discussed an important issue with Mr. Radic, namely the manner in which Bulgarian companies could participate in the increasing number of tenders related to reconstructing Croatia.

At the highest level, I had a meeting with Prime Minister Zlatko Matesa, with whom we reached an agreement to begin immediately talks on establishing a free trade zone, with a view to signing an agreement by the end of the year. [end recording]

Bulgaria: BSP To Name Vice-Presidential Candidate 9 Jul

AU2506133096 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 25 Jun 96

[FBIS Translated Text] The regular weekly meeting of the Bulgarian Socialist Party [BSP] Executive Bureau took place on 25 June. The Executive Bureau discussed the rules of its work. The responsibilities of some of its members have been redistributed.

At the regular news conference after the meeting, it was reported that the Election Center for the presidential campaign has not yet been formed. It will be formed soon, however, most probably around 9 July, when a meeting of the BSP Supreme Council will take place. On that occasion, the prerogatives of the Election Center will be discussed and the candidate for the post of vice president will be determined.

The establishment of a wider movement called "Together for Bulgaria" was also discussed. The movement will bring together noted intellectuals, public figures, and sportsmen.

Georgi Purvanov, BSP deputy chairman, spoke at the news conference about the so-called Pomak ethnic group [non-Turkish Bulgarian Muslims]. This is an idea supported by Greek official circles, Mr. Purvanov said, and it aims at isolating this population both vis-a-vis Turkey and the Bulgarian Muslims living within the Bulgarian borders. Our country categorically protests against the Turkicization of this population and the attempt to distort its ethnic awareness.

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Czech Republic: Government Secret Telephone Link to West

AU2506155596 Prague PRAVO in Czech 19 Jun 96 p 1

["Special report": "The Government's Secret Telephone Line Will Lead to the West"]

[FBIS Translated Text] The government will soon do away with the secret telegraph and telephone lines that were established with the countries of the former Eastern bloc at the beginning of the 1970's. Instead, it intends to establish a new classified government line oriented toward the West and the Czech Republic's incorporation into the European Union.

The relevant proposal, which was put at the disposal of PRAVO, was drafted for the government by Interior Minister Jan Ruml (Civic Democratic Party [ODS]) and Foreign Minister Josef Zieleniec (ODS). The annulment should concern Bulgaria, Hungary, Poland, Romania, and Russia.

The communication system was established to provide a rapid and high-quality link among the political top brass. It is secure even in uninterrupted operation in extraordinary situations—for example, during a state defense alert. The main advantage of the secret line, which has been extended even to the level of the former regions, is security against bugging. The system, using newly purchased hardware from the Motorola company, facilitates interlinking to the special communications systems of the Defense and Interior Ministries.

Government ministers, their deputies, and certain select state administration officials are hooked into the Czech Republic's secret telephone network. These participants have a so-called subscriber's encryption device, which enables them to hold conversations classified as top secret. The ambassadors and their deputies in the aforementioned countries are also hooked into the network. The most senior constitutional officials—the president, prime minister, and parliament chairman—make particular use of this system. The annual lease of the five long-range circuits costs more than 4.5 million korunas plus calling charges.

It is apparent from the document that the Interior and Foreign Ministries did not accept the suggestion from the Office of the President that the secret line with the ambassadors in the aforementioned Eastern countries be maintained.

Czech Republic: Klaus Says Coalition Accord Reached

LD2506173996 Prague Radiozurnal Radio Network in Czech 1000 GMT 25 Jun 96

[FBIS Translated Text] The Civic Democratic Party [ODS] political executive has authorized the party's chairman, Vaclav Klaus, to sign the coalition agreement. This was confirmed by Interior Minister Jan Ruml and Health Minister Jan Strasky, who participated in the ODS political excutive meeting this morning.

Speaking to Czech radio about the imminent signing of the coalition agreement, Vaclav Klaus was optimistic:

[Begin Klaus recording] I think there is a high probability that the agreement will be concluded today. At the moment, all that is needed are a few fine adjustments and touches of the sort some citizens may or may not be able to appreciate. For example, we still have to talk about such issues as how many deputy ministerial appointments should be determined by the coalition and how many by the relevant minister alone. To some extent, this is so because these issues were seriously discussed only yesterday.

I think the government's composition is now being finely tuned; here we have reached a situation where one can talk about chessboard movements rather than a chessboard earthquake. [end recording]

Czech Republic: Bodenlos Resigns as Joint SD-LSNS Chairman

AU2506162996 Prague MLADA FRONTA DNES in Czech 24 Jun 96 p 2

[Article by "(bar)": "Bodenlos Has Resigned, Dienstbier Stays"]

[FBIS Translated Text] Prague—Jiri Dienstbier became the only chairman of the Free Democrats-Liberal National Social Party [SD-LSNS] at Saturday's [22 June] meeting of the party's central council. The hitherto joint chairman of the SD-LSNS, Vavrinec Bodenlos, resigned from his post.

While Bodenlos gave up the chairmanship himself, Dienstbier made his post available and asked the council members to decide if they continue to have confidence in him. Thirty-eight council members supported Dienstbier in a secret ballot; 23 members voted against him.

Bodenlos said after his resignation that the result of the elections to the Chamber of Deputies, in which the SD-LSNS won 2 percent of the vote and did not get into the Chamber, had influenced his decision. "I think I am largely responsible for the election result. I have to act

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responsibly," said Bodenlos, who is now only a rank-and-file member of the party. "It is hard to say what my next job will be," he stated.

Jiri Dienstbier praised Bodenlos's resignation. "Mr. Bodenlos drew the consequences from all of the things that have been happening around him," said Dienstbier, who had stated previously that he does not blame himself for the election failure.

The two joint chairman had clashed bitterly just before Bodenlos's resignation over the degree of personal blame for the SD-LSNS's failure in the elections. Dienstbier said that Bodenlos had damaged the party by the conditional sentence he received for violence and breach of peace. He had received this after arguing with a student from the Pedagogical Faculty on New Year's Eve 1991 and threatening him with an ax. On the other hand, Bodenlos criticized Dienstbier for having conducted a poor election campaign as the SD-LSNS nationwide election leader.

Furthermore, SD-LSNS First Deputy Chairman Josef Lesak has even criticized both of them. He particularly resented Dienstbier's accommodating stance toward the Sudeten Germans, specifically the fact that he had described their postwar transfer as ethnic cleansing. Lesak then criticized Bodenlos for carrying out his post as joint chairman only as an ancillary job alongside his position in the transportation authority.

The party's central council also elected a new deputy chairman on Saturday. He is David Rath, the leader of the Doctors Trade Union Club, who has thus climbed the ladder to an important party post less than a month after joining the party. He campaigned for the SD-LSNS in the elections as an independent and became a rank-and-file member of the party at the beginning of June, two days after the elections.

"After losing an election, every party asks itself if what it did it did correctly. And, as far as cooperation with the Doctors Trade Union Club is concerned, the view prevailed that it acted correctly," said Rath after his election to the post of deputy chairman.

Czech Republic: DEU Elects Majzlik as Executive Chairman

AU2506160296 Prague MLADA FRONTA DNES in Czech 24 Jun 96 p 2

[CTK report: "Majzlik Has Replaced Hromadkova at the Head of the DEU"]

[FBIS Translated Text] Prague—The Democratic Union [DEU] assembly elected Ratibor Majzlik to the post of executive chairman at its session on Saturday [22 June]. His predecessor, Alena Hromadkova, has become the DEU's honorary chairwoman. The post of party deputy chairman will be filled by the DEU's current senior manager, Petr Safranek.

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Slovakia: Daily: Crisis Likely To Lead to Meciar Resignation

AU2506161696 Bratislava NARODNA OBRODA in Slovak 25 Jun 96 p 9

[Commentary by Julius Gembicky: "Vladimir Meciar Is a Victim of His Own Reluctance To Share Power"]

[FBIS Translated Text] Less than 20 months after forming his third cabinet, Vladimir Meciar, prime minister and Movement for a Democratic Slovakia [HZDS] chairman, is facing what is perhaps the most-troubled period of his political career. Just as in the case of his two previous dismissals, in the current coalition crisis, the main reason for his chronic difficulties is his own reluctance to share power. In the name of the concentration of power in his own hands, Vladimir Meciar has lost all the decisive battles on the Slovak political scene so far.

In spite of his supernatural efforts, he has not succeeded in removing Michal Kovac from the post of president of the Slovak Republic, nor has he realized his plan to get Democratic Union [DU] deputies out of the National Council of the Slovak Republic [NRSR] by depriving them of their mandates. Quite the contrary, he has driven himself into the corner of the political ring and, yesterday, the HZDS was even forced to negotiate—and, what is more, on DU premises—on staying inside the ropes of power with those it had until recently been branding as traitors.

Even when carefully analyzing the possibilities that offer themselves to Vladimir Meciar, none of them can be considered a victory for him. The very fact that the HZDS chairman has been forced to negotiate solutions to the coalition crisis with the deputy chairmen of opposition parties at the Party of the Democratic Left [SDL] and DU headquarters (meetings with the Christian Democratic Movement [KDH] and the Hungarian Coalition will probably follow) clearly defines the fragile limits of his current political position.

Even if he succeeded in arranging a general agreement on the SDL's tacit support for his minority cabinet, such an agreement could, and most likely would, simply founder on the rocks of the SDL's tough conditions. Meeting the SDL's requirements—the opposition's adequate representation in NRSR bodies (including at least one post of deputy chairman), the enlargement of the NRSR Special Supervisory Body (OKO) [for supervising the secret services] by at least two members and the appointment of an opposition representative as OKO chairman, the reconstruction of Slovak Television and Slovak Radio Councils, supervision of the National Property Fund [FNM] by the Supreme Inspection Office [NKU] along with the appointment of an opposition representative to the post of NKU chairman, and respect for the proportional principle in appointing a new FNM Presidium—would simply defy the results of the parliamentary night of 3 to 4 November 1994, on which the government coalition has until recently been basing its strategy and conduct. If we add to this the fact that SDL Chairman Jozef Migas will not support any attempts to further weaken the position of the president of the Slovak Republic and the Constitutional Court of the Slovak Republic and if, moreover, the SDL adds to its conditions the opposition's demand for the dismissal of Prosecutor General Michal Valo, the promise of tacit SDL support for the HZDS and for Meciar's minority government may come to nothing. Should the new SDL leadership hurl itself into a risky game and let itself be drawn into the HZDS's political snares without the fulfillment of the above conditions, Jozef Migas will be risking not only the breakup of the Common Choice coalition but, possibly, also a split in the SDL. Some of the vehement supporters [in the SDL] of tacit support without guarantees could then end up in the arms of the HZDS, which would probably help the remaining majority of SDL members to establish in Slovakia, at long last, a strong and unambiguously social democratic party. It is therefore an illusion to believe that a HZDS minority government, silently supported by the SDL, could last until the next regular elections in 1998.

Although Vladimir Meciar is also offering the public the possibility of early elections in the spring of 1997, there is no realistic chance of 90 opposition deputies and Association of Workers of Slovakia [ZRS] and Slovak National Party [SNS] representatives voting for this in parliament. The present state of Meciar's powerlessness is more likely to lead, after a while, to his resignation.

Slovakia: Meciar Analyzes Domestic Political Situation

AU2506141596 Bratislava SLOVENSKA REPUBLIKA in Slovak 25 Jun 96 pp 1-2

[Article by Viera Urbanova and Jergus Ferko: "Vladimir Meciar in SLOVENSKA REPUBLIKA—Healthy, Determined, Optimistic; Substantial Part of Exclusive Interview with Prime Minister To Be Published Tomorrow"]

[FBIS Translated Text] Bratislava—Slovak Prime Minister Vladimir Meciar visited our editorial office yesterday and, in conversation with the daily's editors, analyzed the domestic political situation. He declared that no stable government could be formed without the Movement for a Democratic Slovakia [HZDS] and that by all appearances changes would not occur in the com-

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position of his cabinet. The HZDS remains the guarantor of national interests, and will not enter into a public confrontation with the Association of Workers of Slovakia [ZRS] and the Slovak National Party [SNS], although these entities have already revoked the coalition agreement. He described Jan Slota [SNS chairman] and Stefan Gavornik [National Property Fund President] as unacceptable partners for the HZDS.

Vladimir Meciar said that there is a considerable difference in the ZRS and the SNS between their political leadership and their parliamentary clubs. The Slovenska Poistovna [Slovak Insurance Company] affair was, according to him, just a pretext, because behind-the-scenes games to unleash a power struggle within the state had already started. Part and parcel of the preparations for this struggle was the dissemination of disinformation and rumors about the prime minister's state of health. He was alleged to have a tumor, to be undergoing treatment in a psychiatric hospital or in Switzerland, to be about to die soon, the HZDS was about to split into seven factions, and the like.

As we were able to convince ourselves, also yesterday, the prime minister is again full of energy. The health problems stemming from extreme exhaustion, coupled with a neglected flu, have already passed. None of what some of the media have been trying to present is true.

Attempt at November Night Inside Out

At a certain moment, the ZRS and SNS refused to negotiate, and thereby actually revoked the coalition agreement. Just for illustration—on the morning prior to the start of the 16th plenary meeting of parliament, I. Simko and Chren from the Christian Democratic Movement [KDH] and E. Kukan and J. Moravcik from the Democratic Union [DU] conferred at the SNS Secretariat. It was an attempt at a November night inside out [allusion to night of 4 November 1994, when the current coalition assumed control of all parliamentary bodies, the secret service, the National Property Fund, and the state-controlled media], at dismantling and occupying with their own people, in the first stage, in addition to the government, all institutions—the National Property Fund, OKO [Special Supervisory Body for monitoring the secret service], Slovak Television, Slovak Radio, the mass media councils, the General Prosecutor's Office of the Slovak Republic, banks, and the like. The HZDS had to take steps to create another alternative, because without this movement it would be impossible to form a stable government in Slovakia, and a crisis-ridden carousel of minority governments supported by entities with diverse political programs would be set in motion. The HZDS will continue to cooperate with the ZRS and SNS on the basis of new political agreements, and it is negotiating with the Party of the Democratic Left [SDL] to make sure that parliament is not blocked and that a functional majority, perhaps even a two-thirds majority, is created in it. Prime Minister Vladimir Meciar stressed that neither the members nor the party structures of the ZRS, SNS, and HZDS must be pitted against one another. The issue is, rather, to find new positive motivation, while those officials who set a certain process in motion should bear political responsibility for it.

Vladimir Meciar also mentioned the tragicomical aspects of the present situation—when, for example, from Tuesday to Friday, SNS deputies were voting in a quiet coalition with the Hungarian Coalition (which has not changed its political program in any way!), the KDH, and the DU. The prime minister stressed that it will be possible to make the transition to a positive situation, albeit with a new mechanism of cooperation, one that will no longer be based solely on the majority principle.

Slovakia: Meciar on Coalition Agreement Issues

LD2506195896 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 25 Jun 96

[Interview with Slovak Prime Minister Vladimir Meciar by Zuzana Stukovska; place and date not given—recorded]

[FBIS Translated Text] [Stukovska] Prime Minister, what are the conditions under which the Movement for a Democratic Slovakia would continue to consider as acceptable a coalition with the Slovak National Party and the Association of Workers of Slovakia?

[Meciar] We naturally have to have a discussion about the causes of what has happened, who is responsible for this sphere of cooperation, and about guarantees in the future. As we are responsible for the people's future, all the parties have a great responsibility. This is why I will avoid speaking about any conditions and I will only say that we will hold talks.

[Stukovska] Which aspects of the existing coalition agreement need to be, in your view, reassessed?

[Meciar] The existing coalition agreement has not been fulfilled as regards political consultations and has not been sufficiently effective as regards the fulfillment of the government's policy statement or as regards the modernization and democratization of our political system, as well as the privatization and restructuring of our banking system. We will have to discuss in very specific terms what we are going to do next.

We will also have to take a new step which has been made possible by developments since 1994—to become more open toward opposition parties.

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[Stukovska] Speaking at a meeting of parliamentary parties last Thursday [20 June], you said that at present the coalition is not functioning although the government is functioning. Despite this, rumors have spread about a possible reconstruction of the government.

[Meciar] The government is normally reconstructed on the basis of a decision by the prime minister, or because parliament passes a vote of no confidence in it, or because of a personal decision of a minister. I have spoken with all the ministers, and each of them considers it his duty to complete the work started and is honored to work in my government. Our parliament is not preparing any vote of no confidence, and in the context of the changes mentioned, I do not intend to let anyone go from this government.

To take this step, I would need to have reasons to do so, based exclusively on a minister's work, regardless of the relations between political parties.

[Stukovska] Have such reasons emerged so far?

[Meciar] So far there are no such reasons. The political and personal work of each individual is subject to our joint assessment. And I will not conceal that I have made an offer to the ministers from the Slovak National Party and the Association of Workers of Slovakia to continue their work as independent experts even if their parties leave the government.

[Stukovska] What was their answer?

[Meciar] Positive.

Slovakia: Alexander Rezes's Rise to Power, Wealth Discussed

96CH0125A Prague TYDEN in Czech 20 May 96 pp 41-42, 44

[Article by Istvan Leko and Roman Chlupaty: "Who Is Alexander Rezes? The Nicest and Richest Person"]

[FBIS Translated Text] Not even the Slovak public knows how Alexander Rezes could have become a wealthy and powerful person in Slovakia after being a mere manager at the East Slovakia Iron Works [VSZ] in Kosice three years ago. Neither the minister himself nor his 26-year-old son, Julius, likes to talk about the path to success. It is a fact that, together, they own a minimum of one-third of the shares of the completely privatized VSZ, which is the second largest Slovak enterprise, after Slovnaft.

Anyone skating on thin ice is guaranteed their safety only through speed. It is obvious that in creating his empire Minister Rezes, who is one of the most important members of the government Movement for a Democratic Slovakia (HZDS), is guided by this sentence, which was pronounced by American author Ralph Waldo Emerson. The first packet of shares (9.53 percent) of the iron works was acquired by his firm on 11 March 1994, at a time when political coyness was no longer characteristic of the efforts of government politicians to transfer property into safe hands. The precise date is important, not only because on that day the "second" government of Vladimir Meciar received a vote of no confidence in parliament, but because it is also a day on which the Manager Corporation was registered in the Commercial Register. That night, at its extraordinary session (which was the last session of this government) the cabinet decided to privatize the VSZ.

The Manager Firm, whose stockholders also incl[illegible] members of the top management of the VSZ, acqu[illegible] one share of the iron works for 200 Slovak korunas [Sk], although the market price in the RM-System for Slovakia was around Sk400 (today Sk518). The packet of shares (1,568,159) at a nominal value of Sk1.5 billion was thus sold for 300 million; moreover, it was sold in five annual installments. The sale at a disproportionately low price, according to the May report from parliament, "clearly attests to extraordinary support and commitment on the part of the Vladimir Meciar cabinet." The case was even investigated by the police, but without any results. The government allegedly reduced the price because Rezes had promised to sell shares to more important employees "from foremen on up." The foremen are waiting for their shares to this day.

Before the Manager Firm purchased the VSZ shares, virtually 70 percent of the shares were jointly owned by three firms—the Harvard Fund, the VUB Invest Corporation (12 percent), on whose board of directors sits Rezes son Julius, and Cassoviainvest (around 15 percent). This fund had been established for purposes of coupon privatization by the VSZ and by the Slovak Savings Bank. The Slovak Savings Bank then stepped away from Cassoviainvest, so that a situation arose in which a fund, established by the VSZ, owned the shares of its owner. This is called privatization by incest, which is a legal and standard manifestation, even in the Czech Republic, for example, involving the Chemapol Corporation or the IPB. The remainder of the VSZ shares belongs to the holders of investment coupons and to the Slovak National Property Fund. In February 1995, the Hutnik "Trade Union Stock Corporation" acquired another 10 percent from the National Property Fund, and nothing is known about the owners of this corporation.

However, Rezes was not satisfied with 10 percent of the VSZ. He privatized another 15 percent through his Ferrimex Enterprise at half price in July of last year, so the state lost the last of the shares in the VSZ.

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All this occurred at a time when the Slovak Government was considering a law that would make it possible for the state to retain control in more than 30 strategic corporations in the form of so-called golden eggs, including the VSZ. In June 1995, the parliament approved the appropriate government proposal, but Michal Kovac, president of the Republic, did not sign it. A new proposal was prepared, but it did not reach parliament until the fall.

While the delegates were enjoying their summer vacations, Minister Rezes did not sit with his hands folded in his lap. He turned to the National Property Fund and said he would like to purchase the remaining 15 percent of the shares of the VSZ. They went along with him. The decision to sell was thus made so quickly and so quietly that not even Prime Minister Meciar reacted to it in time; as a result, he has been holding the privatization of strategic enterprises under his thumb since then.

In the fall, delegates approved a new version of the law on strategic enterprises. That law also identified the VSZ because, thanks to Rezes, the state no longer owned even a single bolt. This fact was learned by Jan Ducky, minister of the economy, from journalists. Ducky constantly claimed that the state must not leave the VSZ because "this is an enterprise without which it is not even possible to build a fence in the last village."

The most modern iron works in East Europe was thus controlled by a group of leading managers of the enterprise and by the family of Minister Alexander Rezes. His son, who is a member of the board of directors of the Manager Enterprise, which owns 10 percent of the VSZ, is a vice president of the iron works and president of the Kosice 1 FC Soccer Club. Last year in the fall, Julius Toth, the former minister of finance and the former financial director of the VSZ and deputy chairman of the board of directors of the Industrial Bank, in which the iron works is the largest stockholder, left the enterprise. (Moreover, Toth is the president of the DMD Holding Corporation, which is made up of 27 armaments firms.) The managers of the VSZ, together with Rezes, then last year in the fall bought out the 12-percent share of the Harvard Fund and controlled additional seats on the board of directors and in the Oversight Council.

The new owners, who are not stupid cadres of the HZDS and who are held together more by money and common commercial transactions than by political affiliation, have been making big money for three years now and are happy with the VSZ. They say in Slovakia that these people finally proved that to become a capitalist is not only a "Czech-Hungarian-Jewish privilege." The enterprise is profitable: In 1994, it recorded an after-tax profit of Sk700 million—last year, the amount was almost 2 billion. Not even the state can complain, because the enterprise, which has an annual turnover of Sk56 billion, pays over 7 billion in taxes and customs duties into the state treasury and secures virtually 30 percent of the foreign exchange revenues flowing into the Slovak economy.

Even the organizational structure of the firm has changed. In place of central management, the VSZ is made up of approximately 150 corporations with limited liability, which, for the uninitiated, creates the impression of chaos. The VSZ Kosice and its owners have shares in 40 Czech firms with a market value of Sk400 million. For example, they hold shares in the Ostroj Opava Enterprise (14 percent), they have smaller shares in Avia Letnany, Liaz Jablonec, Tatra Koprivnice, the Agrobank, and, together with the Saturn CZ Enterprise, they own the Sfinx Enterprise in Ceske Budejovice (63 percent).

It can thus not be surprising to find that the manager-owners of the VSZ and, furthermore, the soccer fanatics, do not know what to do with their money. For comparison purposes: They offered Sk900 million for 93 percent of the shares of the Sparta Soccer Team. Four years ago, Boris Korbel would have been willing to pay "only" 250 million for 51 percent of the team.

Minister Rezes, about whom some of the ministers of the previous Slovak Government claimed that, in verbal statements, he always struggled heroically with the Slovak sentence structure, has a large income (as vice president of the VSZ, he reportedly earned Sk3 million last year). He has great wealth. It is estimated at billions of Slovak korunas. But his expenditures are also great. Journalists were recently upset by the fact that, in his travels, he utilizes a Cessna aircraft owned by the private Air Salzburg Corporation. But they were unable to prove that his office paid for the trips. "I acquired my property before entering public office (in the fall of 1994—editorial remark) thanks to many years of honest, industrious, and successful work," it says in the official statement made by Minister Rezes.

Last year in the summer, Roman Hofbauer, chairman of the Parliamentary Committee for Privatization and the former minister of transportation, accused him of unfair privatization in a letter to Vladimir Meciar, which was later published. The accusation involved the privatization of telecommunications facilities, railroads, the Slovak Postal Service, the Maritime Navigation Service, and the East Slovakia Transloading Facilities, and even the very building of the Ministry of Transportation. According to Hofbauer, the privatization in the area for which Rezes was responsible was accomplished in com-

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plete conflict with the program declaration of the government. Prime Minister Meciar turned the matter over for investigation to 70-year-old Augustin Marian Husek, deputy chairman of the parliament. From that moment on, not a single word has been said about the case.

Apart from some journalists and the political opposition, however, it is the people that more likely like Minister Rezes. The star of the charity ball with the tactless appellation of "Those in power to the powerless" was chosen by the Slovaks this year in the spring in a nationwide discussion as the prettiest minister in the government.

We are greater beasts of prey than other people. This is how this year in the spring Alexander Rezes described the successes of independent Slovakia. Not even his own rapaciousness knows any bounds. He allegedly controls a large forwarding corporation as well as the daily NARODNA OBRODA. His ministry some weeks ago proclaimed a public competition for a license to operate a network of mobile GSM telephones. Among several applicants, to everyone's surprise, we find the joint consortium of the VSZ Kosice and France Telecom. Minister Rezes will soon have to decide whether his own offer was the best.

Say what you will about the millionaire from eastern Slovakia. It is beyond dispute that, for the time being, he has mastered the tests of early capitalism and of jungle law in an excellent manner, and as a lover of soccer he would obviously take better care of the crown jewels of Czech soccer than the unstylish dealer of Opel automobiles.

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Hungary: SZDSZ Head Assesses Government, Crime Situation

AU2406151296 Budapest MAGYAR NEMZET in Hungarian 22 Jun 96 p 7

[Interview with Ivan Peto, chairman of the Alliance of Free Democrats, SZDZ, by Hajnalka Cseke; place and date not given: "'This Cabinet Has No Reason To Be Ashamed'—Peto on the Coalition Disputes, Influencing Politicians, Social Justice"]

[FBIS Translated Excerpt] [Passage omitted] [Cseke] What are your views on the cooperation of the coalition parties? The media was loud with the disputes in the first year, but has recently been rather silent. Have you gotten used to each other, have you adjusted to each other, or have you only swept the conflicts under the carpet?

[Peto] The debates vary, and indeed died down toward the end of last year. However, since the Hungarian Socialist Party's [MSZP] March congress we seem to have had more public clashes than is desirable. The fact that the coalition partners have debates is not in itself a problem. I object to the form of the debates. [passage omitted]

[Cseke] In the past two years, have any of the differences of opinion seriously threatened the existence of the coalition?

[Peto] Yes, they have. The Alliance of Free Democrats could not have participated in a government whose structure and division of labor was unacceptable to it. When the position of deputy prime minister and the two-headed economic management system were brought up, the coalition came to a point from which it could have gone in only one direction. [passage omitted]

[Cseke] Will the MSZP and the SZDSZ stay together until the next elections?

[Peto] This cannot be answered sensibly. We entered the coalition to implement the government program. Therefore our intention is for the coalition to be maintained until the next elections. However, an issue that would split it could appear at any time. At the moment I cannot see any such issue, but I would not exclude the possibility. If we are drawing a balance then we must also talk about the positive elements! I do not accept the criticism that Hungary is on the brink of nonexistence and is being threatened with the death of the nation. Hungary has made much progress in the past two years, and it has a good foreign image. In spite of all the delays and weaknesses, the conditions for economic progress were established during the term of this government. I do not find it fortunate to lift the pessimism that is already widespread to the level of politics, and for the specter of the nation's death to be constantly in people's minds. I find it in especially bad taste that those who cannot even think of—never mind implement—any alternatives can talk about the government's conscious destructive intentions. The Horn government's balance is neither better nor worse than other governments' in general. This cabinet has nothing to be ashamed of; it has not committed dramatic mistakes that would have influenced the country's fate in a negative direction. The government has basically steered the country in the correct direction. This applies to economic policy, issues coming under the cabinet's authority, and foreign policy.

[Cseke] A police officer recently said that if the cabinet does not do anything, the parliament will soon be eating from the hands of mafiosos who divide the country up among themselves. The average person also finds the situation worrying.

[Peto] Security has indeed become much worse in the past six to eight years, but many people are inclined to exaggerate and form apocalyptic visions. The police officer perhaps said what he did because he would like to spend more on criminal investigation—I would add with good reason. However, it is not true that the majority of people need to live in fear. Even in the world's most civilized countries people cannot safely walk in certain areas after dark. Hungary also has especially dangerous areas, and certain car models are at greater risk than others. However, this is not a problem for 99 percent of the people; it is a problem for the 1 percent who drive cars worth 5, 6, or 10 million forints or more. Rather than the Trabant, Skoda, or the cheaper French or German type cars, it is usually BMW's, Mercedes, and Jeeps that get stolen, which the average citizen cannot afford. The fact that Hungary is an open country has its disadvantages. Hungary itself decided that it did not wish to close its borders to its own or other countries' citizens. This has many consequences, but it is not necessarily that foreigners commit the acts that create a sense of danger in people. This is part of it, but they usually keep disputes among themselves. Ukrainians tend to shoot Ukrainians rather than Hungarians. However, as a result of the open borders, if someone steals a car in Budapest he can be in Slovakia within 45 minutes. [passage omitted]

[Cseke] Do you also find it an exaggeration that the underworld tries to influence politicians?

[Peto] In the Hungarian parliament only one case has come to light in which a person who had become known through his economic activity bought a mandate. He paid a certain sum into the treasury of a now opposition

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party and, in exchange, got into parliament on the party's list. I know of one immunity case in connection with a deputy having contact with persons who pursued dishonest economic activities. It is possible that some people try to influence politicians, but no one has yet brought any cases to light.

[Cseke] Rather than criminals seeking contact with deputies, I am thinking that people who have acquired their property by unexplained methods are also around the deputies. The reason might be to get protection against the authorities.

[Peto] Businessmen and those who like to appear to be important tend to seek the company of other important people throughout the world. Has anyone proved that a parliamentary deputy, a politician, or a minister has ever protected anyone against police proceedings? I do not know of such cases. The fact that someone has a photograph taken together with a person, or is found to be standing next to someone at a reception, or generally has contact with someone, cannot in itself be assessed or condemned. [passage omitted]

Hungary: Socialist Party Chairman Views Coalition Issues

AU2406143196 Budapest MAGYAR HIRLAP in Hungarian 22 Jun 96 p 8

[Interview with Imre Szekeres, head of the Hungarian Socialist Party group in parliament, by Dezso Pinter; place and date not given: "The Bells Are Ringing Loudly"]

[FBIS Translated Excerpt] [Passage omitted] [Pinter] In your view, is the Hungarian Socialist Party [MSZP] stronger or weaker now at half time than when it took up the governing role?

[Szekeres] It is neither stronger nor weaker. It has a different and more stable place. Government responsibility and the fact that we can influence the events have changed us. We see what it means that every decision of ours is accompanied by interest confrontations. We must consider the fact that it is not sufficient to be right; we also need to win the people over. [passage omitted]

[Pinter] What characterizes the MSZP in the summer of 1996?

[Szekeres] Society has not changed its view of this party. The MSZP's reliability and the fact that, despite tremendous difficulties, we are capable of sticking to our goals represent great values. Those who only start from the premise that people have become disappointed with the MSZP lately are wrong. Society has also changed in the meantime. It became clear around the end of 1995 that a lot has to change here for a really qualitative development to begin in Hungary's life. [passage omitted]

[Pinter] What role does the party chairman and prime minister play in shaping the MSZP's face?

[Szekeres] He plays a decisive role in this, and this has both advantages and disadvantages. It is an advantage that Gyula Horn took it upon itself to change things in the spring of 1995, and he is sticking to this goal, although he is under tremendous pressure.

[Pinter] From where?

[Szekeres] From every direction.

[Pinter] Also from the party?

[Szekeres] Yes, from the party too. There is nothing special in this, because a political party deeply rooted in society reacts sensitively to the people's bitterness.

[Pinter] And what is the disadvantage?

[Szekeres] Something that every leader must take into account in other countries as well: After some time, there is nobody left to ask what is good and what is bad. Decisions must be made, and the person making the decisions bears tremendous responsibility. Such solitude is definitely a disadvantage in a political movement. [passage omitted]

[Pinter] What has changed in the relations between the coalition partners in the past two years? What has become of their identical views and of their differences?

[Szekeres] There are considerable differences between the two coalition partners regarding their methods and style of political activity. There is a decisive identity of views regarding the concept of democracy, the necessary measures that affect the economy, foreign policy, and Euro-Atlantic integration. There are differences in the sense that the MSZP wants to primarily represent the interests of social groups deriving from employees. There are trade unions and other organizations in this field, and we represent their interests in our political activity. There are also differences between the two parties in the way they regard the need to reduce the differences between the various regions in this country. In the course of debates on the budget and personal income tax, the MSZP says that a smaller percentage of personal income tax should stay where it was produced. The Alliance of Free Democrats [SZDSZ] wants a bigger percentage here. [passage omitted]

[Pinter] Do you see any chances of changes in the relations between the government coalition and the opposition in parliament?

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[Szekeres] We are ready for this. Continuation does not depend on us.

[Pinter] What is your political mood?

[Szekeres] The bells are ringing loudly. Poverty is increasing in Hungary. I am deeply concerned by the many impossible living conditions, but I am convinced that we have to carry out what we took upon ourselves, because this will bring a solution to those who are unjustly suffering, too.

Hungary: Restrictions on Press Freedom Charged

96CH0110A Budapest DEMOKRATA in Hungarian 2 May 96 pp 29-31

["Open letter" to the press attache at the American Embassy in Budapest, by Istvan Lovas, member of the presidium of the Hungarian Radio Foundation's Board of Trustees; date not given: "What Is in America's Interest?—The Second and Last Open Letter to U.S. Embassy Press Attache Susan Elbow"]

[FBIS Translated Text] Dear Susan!

It is no exaggeration to say that my colleagues—journalists in the opposition—were stunned by statements concerning the Hungarian press in the annual Human Rights Report issued by the U.S. Department of State. According to the Report, everything is in the best order in Hungary since the adoption of the media law last December. It is no secret that the report is essentially based on views held by the U.S. Embassy in Hungary, and ultimately on your views, in your capacity as press attache.

A summary of our countless conversations and exchanges of correspondence could read as follows: On each occasion I tried to persuade you to establish a set of criteria of your choice, on the basis of which one could judge the freedom of the press in Hungary by empirical methods; I made this suggestion because you did not believe statements contained in lead editorials of the weekly newspaper BUDAPEST SUN about the monochrome Hungarian press and the missing market forces, and because you did not believe the words of Gabor Bencsik, the MUOSZ [National Federation of Hungarian Journalists] chairman you like, who, in an unguarded moment, declared in the left-wing liberal NEPSZAVA that advertisers distance themselves from conservative newspapers. On each occasion you ducked the challenge, as if you simply did not want to test this matter by obtaining proof, or so it seemed to me. I should correct myself: There was one exceptional occasion. As you will recall, this exception occurred not too long ago in a long conversation you and I had regarding a letter addressed to you and published earlier in DEMOKRATA, a letter which became sensational not only in Budapest, but also in Washington. At that time I raised the following question: Would you consider the statements of some prominent businessmen if they told you that top executives and owners of large enterprises are afraid to advertise in opposition newspapers—the same thing Sandor Demjan, one of the most successful socialist businessmen in Hungary has told UJ MAGYARORSZAG?

The organizing work was not easy. It demanded much time and patience. It was not easy, but in the end we succeeded. We managed to establish contact with five leading businessmen of Hungary who agreed to meet with you, despite all the risks that accompanied such meetings, and to tell you why they did not advertise in opposition newspapers. On 18 March 1996 I dispatched a letter to you indicating that the five businessmen would be available to meet with you in the afternoon of 26 April.

Since you have repeatedly revealed—also in an interview granted to this weekly newspaper—your (adverse) view of the media policy pursued by the previous government, and your (favorable) view of the media policy of the present government, I suggested that we conduct our conversation in the presence of witnesses. I proposed that the leaders of all opposition parties be present during our conversation. In due regard to prior conduct manifested by the Embassy, I did not want to reveal to you the names of the five businessmen, but recommended instead the name of a highly respected professor to whom I gave the list of names, and who would have verified the integrity and credibility of the businessmen, in case you had any doubts.

Since you did not respond to my letter as of 2 April, I once again dispatched the letter, this time by fax. You called me the next day, 3 April, and we conversed for about 45 minutes. You began the conversation by saying in a resentful tone of voice that you received many letters attacking you since my letter addressed to you had been published in DEMOKRATA. As you said, these letters would not bother you, but recently you also received one that contained death threats. Based on the assumption that anything you said had to be true, I expressed my outrage and suggested that you report the incident to the police. You responded by saying that you had already done so. Since we spent some time discussing your endangerment, I recommended that the meeting take place in the Embassy building, because no other place could be more secure for you than the Embassy. You responded by saying that you regarded the idea as acceptable, but objected to the opposition leaders' presence at the meeting because you would feel like being questioned by a "Grand Jury." I replied by

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saying that I would like to have the leaders of these parties present because they could serve as witnesses of sufficient weight to subsequently prevent possible excessive distortions in the interpretation of statements made by the businessmen. But then I indicated that I was prepared to compromise by agreeing to the presence of Viktor Orban only; I assumed that you would regard him to be the most acceptable conversation partner.

You also objected to the fact that the names of the businessmen were not revealed to you; you claimed that such methods were unacceptable in a democratic country like Hungary. I told you in response that insofar as its institutions are concerned, this country is, indeed, a democratic country, but the people who fill this institutional framework—people who militantly defend either the interests of the old regime or exclusively the interests of the present coalition—have created an atmosphere in which very many people are terrified because of their dependance and threatened livelihood, and because almost everyone has something to lose. Thus, businessmen, too, are terrified, because they, too, can be destroyed the same way as the owner of Kordax after he bought UJ MAGYARORSZAG. I characterized the visceral fear and the paranoid climate of the capital by saying that not only word has spread, but it has also become the general view of the Budapest intelligentsia that I dare to write freely, the way I do, only because I am a CIA agent. (More recently, word has spread that, in addition to being paid by the CIA, I am also being paid by the KGB and Mossad.)

You told me that you would like to be notified of the identity of the businessmen involved at least 48 hours before the meeting. I recommended 24 hours so that I could be certain that these gentlemen—by mere coincidence, of course—would not suddenly change their minds.

You told me that you would think about this and that you would respond soon. After that, you and I once again began to argue about the media situation in Hungary. I told you that despite the fact that the law has been adopted, nothing has changed insofar as the final product—public service programs—was concerned. You made the surprising argument that even Torgyan appears in the news program Hirado, which goes to prove that everything is in order at the television. This was an interesting finding. You condemn the way the television functioned during the Antall and Boross eras, even though you were not in Hungary in those days. Believe me, in those days the American Embassy did not claim that the government did not interfere with the public service media just because Horn and Peto appeared on television. As to the kind of interference that exists today, I did mention to you that speaking as private persons, television executives complain about directives received by telephone from Koztarsasag Square and Merleg Street several times a day, and compare the present situation with conditions that prevailed in 1987.

Thereafter we discussed the private media. You mentioned the name of Andras Ko, the former editor in chief of UJ MAGYARORSZAG, the person whose name you also mentioned in the interview you had granted to DEMOKRATA, who told you while he served as editor in chief that people at UJ MAGYARORSZAG did not sense the existence of an advertising boycott of any kind against that newspaper. Since this appeared to be your only counterargument, the day after our conversation I questioned Andras Ko concerning this matter in the presence of Pal Dippold, the present responsible editor of UJ MAGYARORSZAG. Andras Ko said that you must have misunderstood him because he had made no such statement.

Reverting to the meeting, you said that you were afraid that I would write an article about the meeting. I gave my word that I would not, and that I would write about the entire meeting only if the 1997 Washington State Department annual Human Rights Report fully disregards the contents of the conversation.

In conclusion, I asked you to call me no later than 16 April, because I needed at least 10 days to organize the meeting. You did not contact me thereafter.

The only way I can interpret your failure to return my call is that you deliberately turn a deaf ear to anything that does not support your preconceived views. This attitude is incomprehensible when it involves an embassy official, whose function it is to gather and to convey information. It is incomprehensible, unless you foster certain interests which are not readily visible to me, whose existence might not be surmised even by the U.S. Department of State.

I do not want to reiterate the arguments I have already made several times regarding today's media situation in Hungary. But even at the price of becoming boring, let me state this once again. While, prior to June 1994, journalists with hostile sentiments and a hostile ideology posed the most provocative questions in the public service media to the prime minister and members of the government, today only humble questions may be asked by journalists whose ideology and sentiments are attuned to those of the government. This holds true to such grotesque an extent that astonishingly, even Ivan Peto—the leader of the SZDSZ [Alliance of Free Democrats], the party toward which an overwhelming majority of present-day journalists manifest total loyalty—complains in the 1 March issue of

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ELET ES IRODALOM about the servile mentality manifested by today's journalists toward them. One of the signs that manifests this mentality is the fact that no one is ever allowed to read, see, or know anything about SZDSZ scandals and financial abuses, and that not even by accident would radio talk shows deal with subjects to which listeners could provide a negative response. Moreover, we have reached a point by now where each Thursday, a limited liability company owned by people of the left-wing persuasion provides nothing but good news to viewers of the MTV [Hungarian Television]. Do you realize that a similar program prepared by a company close to the MDF [Hungarian Democratic Forum] during the Boross government would have evoked several months of outrage and ridicule by the private and state-owned press?

Not too long ago there still was one radio program—Vasarnapi Ujsag [Sunday Journal]—which did not favor the government, and to which—oh, what coincidence—most people listened, despite its scheduling in the early hours of dawn. Contrary to law, they broke the neck of Pal Lakatos, the person in charge of this program. He no longer is the editor in chief of the program, instead, he is given an opportunity to prepare a program once a month. But not even this opportunity covers the entire program. Yes, they pulled off a simple trick: they specified five mandatory programs to be included, consuming 42 minutes of the total programming time. This leaves you cold, does it not? Unfortunately, it does not leave cold millions of people in Hungary and several hundreds of thousands of people in the neighboring countries.

The fact that not a single representative of the largest opposition party, the Independent Smallholders Party, has ever been invited to any of the morning television programs broadcast for the past few months from Parliament Cafe, next to the parliament building, obviously also leaves you cold. In contrast, members of the ruling parties make regular appearances. More accurately: They appear daily. This, too, leaves you cold, does it not?

You said that you were not in Hungary in the days of Antall and Boross. This may be true, but nothing prevents you from obtaining tape recordings of the radio broadcast. In those days, each and every day, between 6:30 and 7:00 pm the government and the opposition clashed in the framework of a program called Raadas [Extra]. Since there were many opposition parties, the opposition of those days naturally had more time to speak than the government. In today's Raadas program, the opposition is not permitted to oppose a ruling party official. Quite obviously, you will find an excuse and explanation for this, too.

You also might be able to explain why you [plural] use every means to support only the ruling party press. Quite obviously, you do not find the rest of the press worthy of support, unlike, for example, the German Konrad Adenauer Foundation, which found the Zsigmond Moricz School of Journalism worthy of support a few months ago. Against this background you wonder why the present opposition orientates itself toward Germany and the Far East, and why—with the passage of each month of Mr. Blinken's stay in Hungary—the opposition is becoming increasingly passionate, and has an increasingly adverse view of the U.S. Government that discriminates against opposition parties, the parties which have, for long, enjoyed the support of a majority of the populace, according to public opinion polls.

The USIS has invited Hungarian journalists to the United States on several occasions. On one occasion I was asked by USIS official Philip Reeker during lunch whether I knew of any opposition journalist who spoke English, and whether that journalist would be interested in taking part in a Washington roundtable conference on NATO. I answered in the affirmative and mentioned the name of a young editor who works for DEMOKRATA. This happened about two years ago. Quite naturally, the young journalist did not go to the United States, just as no one from among the opposition journalists did. Instead, quite a few liberal journalists took a major tour of the United States. For example, one group spent a month in the United States and received from the USIS dollars amounting to the equivalent of half a million forints. God knows why, this group did not include a single journalist from an opposition newspaper either. You obviously have an explanation for this, too.

During our most recent conversation I mentioned to you that UJ MAGYARORSZAG may cease publishing at any moment. The newspaper, which even in the best condition was worth only a fraction of its value, as the mere archive of NEPSZABADSAG, which was created out of public funds under communism, then was sold with itself to new owners [as published]. The passing of UJ MAGYARORSZAG, and perhaps of DEMOKRATA, too, will obviously not shatter your faith in the existence of a flourishing free press in Hungary. Most certainly, you will then designate MAGYAR NEMZET as the opposition paper: the daily newspaper whose editor in chief once served as an MSZMP [Hungarian Socialist Workers Party] party secretary, and which is owned by Postabank, a partly state-owned bank. As an aside: You might have noticed that since Postabank acquired MAGYAR NEMZET, newspapers loyal to the government suddenly ceased to attack that newspaper.

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A Hungary without opposition newspapers will be the real thing for you [plural]. This is so because in the absence of opposition newspapers, disturbing letters like this one will not be published, and you will not read about Gyorgy Konrad, the past chairman of PEN Club, that he had cooperated with Kadar's secret police—a matter deeply suppressed by privatized newspapers and public service broadcasters, all of which observe only market interests, according to you. I need not even ask, you obviously have rather high regard for Konrad, and are honored whenever you have a chance to clink glasses in his company.

Regarding matters that are unpleasant from the standpoint of the coalition, these newspapers are as silent as you are in regard to the extremely bad condition of the freedom of the press in Hungary. Not like in earlier days, when you [plural] registered your protests even though it would have been better to remain silent. So as not to talk in the form of riddles, [and to demonstrate what exactly I have in mind,] I am making public a letter written by an outraged California lawyer—hired by the previous leadership of the MTV—addressed to Secretary of State Warren Christopher, with copy to President Clinton. (See p. 30—the editor) [not reproduced here]

You told me that you had also served in Latin America. There, too, the United States supported an ugly dictatorship because of the Cold War confrontation—or at least I dare hope that it was for that reason. Providing such support was in the interest of the United States at the time. But in our case, many Hungarians do not understand why you support a system which brought immeasurable poverty upon the people, halted economic growth that already started, increased inflation once again, and left no one in key positions in either the state or the private sectors who did not support this coalition. As a result of these actions, they instilled an incredible amount of fear in the populace, because what people see is that their masters, commanders, and employers are once again the people of the long past; people have lost their faith in democracy and were made to hate the West. Indeed, what American interest is linked to this?

With regards,

Istvan Lovas

Member, Presidium of the Board of Trustees, Hungarian Radio Foundation

* * *

Our editorial offices completed the page proof of the letter before noon, on 23 April. Minutes later, Susan Elbow called Istvan Lovas. She told him that she could not call in time due to business she had to attend in conjunction with the opening of the International Law Enforcement Academy (the FBI academy). She reassured Lovas that not too long before the next 1997 Human Rights Report is published, they will sit down to talk, and at that time Lovas will have an opportunity to present to her everything he wants to say about the condition of the Hungarian press. Lovas acknowledged the offer with thanks.

—The Editor

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B-H: Granic, Trnka Agree on Measures To Strengthen Federation

AU2606084796 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 26 Jun 96

[FBIS Translated Text] Croatian Foreign Minister Mate Granic held talks with Kasim Trnka, Bosnia-Herzegovina's ambassador to Zagreb, on the current situation in the implementation of the Dayton accord and the initiative for the further strengthening of mutual relations.

It was concluded that adoption should be accelerated of laws necessary for the functioning of all institutions of executive authority in the Bosnia-Herzegovina Federation.

They also concluded it was important to pass the Defense Law as an essential precondition for quicker realization of the Dayton accord. It was also stressed that the administrative authorities, the roles of cantons and municipalities, and the federation government should be strengthened to overcome political misunderstandings.

They also agreed that the prime ministers of the Republic of Bosnia-Herzegovina and Croatia will meet.

B-H: Minister Discusses Defense Law With U.S. Officials

AU2506194096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 Jun 96

[FBIS Translated Text] In Sarajevo today, Vladimir Soljic, minister of defense in the Government of the Bosnia-Herzegovina Federation, received a top U.S. State Department delegation led by Daniel Serwer, special envoy for matters regarding the implementation of the Federation. Serwer is taking up a job at the end of July.

They discussed the law on defense and other issues regarding the adoption of the law. The U.S. representatives expressed concern over the fact that the law on the defense of the Federation has not been passed yet, and said that they are prepared to continue to offer all kinds of help for this law, which is one of the most important laws, to be passed as soon as possible, especially because it represents the basis for the creation of the defense system of the Federation and the Army of the Federation, especially the Equip and Train Program.

Minister Soljic expressed his readiness and will to continue his efforts to find solutions to end this important task and thanked the U.S. representatives for what they have done so far and for what they are prepared to do in the future.

B-H: Cotti: Minimum Conditions for Elections Not Fulfilled

AU2506155296 Paris AFP in English 1542 GMT 25 Jun 96

[By Odile Meuvret]

[FBIS Transcribed Text] Vienna, June 25 (AFP)—The people of Bosnia-Herzegovina will go to the polls on September 14 for nationwide elections aimed at healing their shattered country, the Organisation for Security and Cooperation in Europe (OSCE) announced Tuesday.

Bosnia's 3.2 million voters will be called on to create a three-member Bosnian presidency, a national parliament, parliaments for the Moslem-Croat and Serb entities that make up the Bosnian republic, and various lower-level authorities.

The elections were scheduled under the Dayton peace accords which brought the four-year Bosnian conflict to an end with the intention of creating joint bodies that could bring together the warring communities and pave the way to reunification.

Addressing the organisation's general council, OSCE chief Flavio Cotti admitted that the minimum conditions for holding free and fair elections—as stipulated by Dayton—"have not been fulfilled, in spite of some small progress."

He noted that "war criminals remain on the loose, they occupy positions of power and either directly or indirectly are exercising political influence"—a reference specifically to Bosnian Serb leader Radovan Karadzic and the Serb military leader General Ratko Mladic.

Only 70,000 of the estimated two million refugees and displaced persons have returned to their homes and "ethnic cleansing is being continued on a local level," he added. He concluded that the "politically neutral climate" specified as necessary under the Dayton accords did not exist.

However, he said, there was "no convincing alternative to the holding of elections."

The polls were "not an end in themselves" but "a first small step in the long process of reconciliation and democratisation."

Many observers have warned that a vote under the current circumstances could simply reinforce the power of the nationalists who hold sway in each of Bosnia's three communities.

The OSCE, which is to organise and monitor the elections, had been charged with deciding on whether or not they should proceed. However this was largely

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pre-empted by the United States which insisted on a summer poll. All individual OSCE member states had also come out in favour of the September deadline.

Bosnian officials in Sarajevo, though unhappy with the present conditions, said they would accept the OSCE decision.

Cotti, who visited the Bosnian Serb stronghold of Banja Luka Sunday, had expressed reservations but said, according to the NEUE ZUERCHER ZEITUNG daily, that between holding imperfect elections and postponing them he would prefer the former as a "lesser evil."

Some 49 political parties and 33 independent candidates have lined up for the polls.

Among these are the Party of Democratic Action (SDA) of President Alija Izetbegovic, the Croatian Democratic Union (HDZ) in the Croat-controlled areas of Bosnia, and the Serbian Democratic Party (SDS) in Serb-controlled areas—the ethnically-based parties which won the last nationwide elections in 1990.

The Bosnian conflict, which erupted in April 1992, ended with a ceasefire achieved with U.S. mediation last October and was wound up with the Paris Treaty, formalising the Dayton accords, on December 14.

B-H: BETA: Cotti Wanted 'Protectorate' Instead of Elections

AU2506205996 Belgrade BETA in Serbo-Croatian 1623 GMT 25 Jun 96

[FBIS Translated Text] Flavio Cotti, chairman of the OSCE [Organization for Security and Cooperation in Europe] offered the local leaders during his last visit to Sarajevo the introduction of a "classical protectorate" as a substitute for elections in Bosnia-Herzegovina.

According to BETA's diplomatic sources, Cotti told officials in Sarajevo that the EU did not want the elections in Bosnia and offered as a substitute a protectorate that would last one year, or not less than six months.

He did not mention the name of a possible governor of the protectorate, but, according to the same sources, it is certain that this was not going to be offered to Carl Bildt, current high representative for Bosnia.

The United States energetically opposed Cotti's proposal. The U.S. main negotiator for Bosnia, Richard Holbrooke, reacted by saying that "elections in Bosnia-Herzegovina must be held even if they are irregular," BETA's sources claim.

The dilemma over the elections and who should have the deciding influence on the fate of Bosnia-Herzegovina was removed today after Cotti made his decision, which he himself described as "anything but easy," that the Bosnians should go to the polls on 14 September.

B-H: Muratovic Comments on Announcement of Election Date

LD2506215896 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 2100 GMT 25 Jun 96

[FBIS Translated Text] Immediately after the date of the elections [in Bosnia-Herzegovina] was announced [by Flavio Cotti], we asked Bosnia-Herzegovina Prime Minister Hasan Muratovic to comment:

[Begin recording] [Muratovic] We expected this decision since this opinion prevailed in Florence. However, we consider that it is still only a plan for the elections which should be prepared for that date with conditions also being created by that date. We shall do everything on our part to prepare for the elections and to create conditions on the territory under our control. Whether voters and political parties will participate in elections under these conditions is not up to us to decide, it is up to them.

[Unidentified correspondent] In your view, do we have to hold the elections? Many parties say that this is the condition for state institutions to begin to function.

[Muratovic] It is true that state institutions cannot begin to function before the elections, but it is likewise true that it would be tragic if these elections gave legitimacy to those people who have usurped power; I do not believe we will be able to create effective institutions with war criminals and people under their influence.

[Correspondent] What will happen if on 28 June, when the SDS [Serb Democratic Party] is scheduled to hold its convention, Radovan Karadzic enters the list of candidates?

[Muratovic] I personally do not believe he will feature on the list. Nor is the SDS going to make such a move. I think that they are now working on a different approach toward ruining the elections. If he entered the list, I do not think anybody in the Federation of Bosnia-Herzegovina would agree to take part in such elections. [end recording]

B-H: Ganic, Bildt React to OSCE Election Decision

AU2506174696 Paris AFP in English 1735 GMT 25 Jun 96

[FBIS Transcribed Excerpt] Washington, June 25 (AFP)—Sarajevo and Washington applauded Tuesday the decision by the OSCE [Organization for Security and Cooperation in Europe] to hold nationwide elections in Bosnia-Herzegovina on September 14, and

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pledged to secure the conditions for a free and fair vote. [passage omitted]

In Sarajevo, top Moslem leader Ejup Ganic [vice president of the Federation of Bosnia-Herzegovina] said "we think the elections will reinforce the stability of Bosnia-Herzegovina," but added the Bosnian government would continue to call for the "conditions to be created for the elections to take place"—notably the arrest of indicted war criminals.

Flavio Cotti, the chairman of the Organisation for Security and Cooperation in Europe (OSCE), announced the date in Vienna earlier, setting in motion elaborate plans for Bosnia's first post-war elections. [passage omitted]

In Sarajevo, Carl Bildt, the international envoy to Bosnia warmly welcomed the decisions to go ahead with the elections.

"Elections will pave the way for setting up the common institutions of the country foreseen in the peace agreement, thus making it possible to start the long process of overcoming the partition of the country," he said.

B-H: IFOR To Ensure Security for 30 Jun Mostar Elections

AU2506144296 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 24 Jun 96

[Report by Halil Semsa]

[FBIS Translated Text] The representatives of IFOR [Implementation Force], the international police, and the police from both parts of Mostar yesterday set up a coordination body to deal with all the security problems in Mostar for the election day. It has also been revealed that 2,000 members of IFOR will be overseeing security on 30 June, and that another 5,000 will be on standby. Halil Semsa reports:

[Semsa] On Sunday, 30 June of this year, the residents of Mostar who according to the 1991 census had a place of abode in this town will vote in the local elections. The casting of votes will take place at 77 polling stations in Mostar and four places in Norway, Sweden, Switzerland, and Germany. What is especially interesting is that the exact location of the polling stations in the town on the Neretva River is still not known, although there are only five days left before the elections.

What is certain, however, is that many citizens from both parts of the town will have to cross the former line of separation on their way to the polling stations. This indicates that special attention will have to be devoted to the safety of the voters. That this is true is confirmed by the fact that EU Mostar Administrator Ricardo Casado stated a few days ago that IFOR will provide backup for the international police and ensure freedom of movement, which is consistent with their mandate. In addition, after the meeting yesterday between the representatives of the international police, IFOR, and the police from both parts of the town, it was revealed that on election day, 30 June, 2,000 members of IFOR will be overseeing security. According to IFOR representatives, another 5,000 soldiers from the Southeast Division will be on standby. They will intervene only in the most urgent situations.

For all this to function, the aforementioned meeting set up a coordination body consisting of the representatives of the international and local police, two representatives of the Army of the Republic of Bosnia-Herzegovina and the HVO [Croat Defense Council], and two IFOR officers. If problems concerning the safety of the voters arise on election day, 30 June, the coordination body will meet and make the appropriate decisions.

B-H: Czech Officer: Elections Will Be Terribly Complicated

AU2506145396 Prague MLADA FRONTA DNES in Czech 21 Jun 96 p 9

[CTK report: "The Czech IFOR Troops Will Have More Duties With the Elections in Bosnia"]

[FBIS Translated Text] Donja Ljubija—The Czech IFOR [Implementation Force] troops, who, along with the members of the other armies in Bosnia, have already fulfilled most of their military tasks, will now not only be concentrated around the separation zone dividing the two Bosnian state units—the Serb Republic and the Muslim-Croat federation of Bosnia-Herzegovina—but will also conduct patrols throughout the territory entrusted to them. NATO command would like to contribute to guaranteeing the inhabitants' freedom of movement, which is, according to the Dayton peace agreement, a basic prerequisite for holding the free democratic elections, the first since the end of the war, that are supposed to be held by mid-September.

"It will be terribly complicated. For example, in Prijedor, now controlled by the Serbs, where the most refugees (around 40,000) in our area are, there are about 20 utterly destroyed and empty Muslim-Croat villages. But, the original settlers have the right to vote here. Will they have the courage to come here, and who in fact will they vote for?" said Captain Oldrich Holecek, the Czech IFOR battalion's liaison officer, in making clear his doubts. Namely, the election lists are being compiled on the basis of the 1991 census, that is, before the war broke out and before the mass transfers

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of people. The voters can choose where they will vote: Whether in the place of their original residence, from where they have fled, or in the place where they intend to live in the future.

The peace agreement guarantees the refugees—of whom, according to official figures, there are 2.4 million throughout Bosnia—the right to return, but, in actuality, everything is different. From time to time a family returns to the separation zone still guarded by troops from the multinational forces, but the majority do not dare go further into the territory of the other ethnic group. Most of the attempts by the Muslims to visit their former homes or the graves of their relatives on the territory of the Serb Republic have ended in conflict.

At the same time, cooperation between the IFOR troops and the local authorities varies. "For example, in Prijedor, the leadership is, obviously, under the strong influence of the Bosnian Serb town of Pale, and there is no willingness to cooperate. On the other hand, in Novi Grad, the officials are, it can be said, very progressive; we feel no tension here," explains Captain Holecek.

The IFOR troops will increase their presence mainly in the sensitive zones, will guarantee freedom of movement for the voters and the international observers, and will supervise the ballot boxes and the subsequent counting of the votes. The elections in Bosnia, described as the most complicated voting in history, will be held both on the local level and on the level of the Serb Republic and the Muslim-Croat federation of Bosnia-Herzegovina, and also on the nationwide level, because the two state units are, according to the agreement, supposed to have a presidium, government, and parliament as joint bodies.

International officials are making clear their resolve to hold the elections in Bosnia within the designated date, that is, by mid-September, although the conditions set will not be met fully. The leadership of the Serb Republic is also in favor of them, because it wants to legalize its position as soon as possible. Sarajevo, however, is making clear its intention to boycott the elections and claims that, in the current situation, they would lead to confirmation of the ethnic cleansing and partition of Bosnia.

B-H: AFP Previews Elections Following OSCE Announcement

AU2506151996 Paris AFP in English 1459 GMT 25 Jun 96

[By Francoise Michel]

[FBIS Transcribed Text] Sarajevo, June 24 (AFP)—Some 49 parties and 33 independent candidates will be seeking the votes of around 3.2 million voters in Bosnia's first post-war nationwide elections.

OSCE [Organization for Security and Cooperation in Europe] chief Flavio Cotti announced in Vienna Tuesday that the conditions were ready for the elections to take place across Bosnia-Herzegovina and gave the date of the elections as September 14.

A total of seven authorities will be elected in the polls in the two entities that make up the post-war country—the Sarajevo-run Moslem-Croat Federation and the Serbs' self-declared Republika Srpska [Serb Republic].

The elections will be run on a proportional system.

At the local level, municipal elections are scheduled across the country. Cantonal elections are scheduled in the federation.

The federation will elect a chamber of representatives while a parliament and president are elected for the Republika Srpska.

At the national level, two common bodies will be elected.

One is a three-member Bosnian presidency—one Croat, one Serb, one Moslem.

This should then nominate a chairman of the Council of Ministers to be approved by the directly-elected House of Representatives.

Out of the 49 parties that have registered for the elections, 27 are based in the federation and 22 in the Republika Srpska.

Only four parties—the Party of Democratic Action (SDA) of President Alija Izetbegovic and and three other parties based in the federation—are taking part in all seven levels of the elections, making them truly nationwide polls.

The Serbian Democratic Party (SDS) of Radovan Karadzic has registered for five levels and has declined to name candidates for the parliamentary and cantonal elections in the federation.

The Bosnian sister party of the Croatian Democratic Union (HDZ), of Croatian President Franjo Tudjman,

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is the main Croat party in Bosnia-Herzegovina. It is standing in five levels of elections, standing aside from the elections to the national assembly and presidency of the Serb entity.

The provisional electoral list contains the names of some 3.2 million voters who can vote in some 4,000 polling stations, watched over by thousands of observers, including 1,200 due to be provided by the OSCE.

The voter list—the subject of considerable controversy in Bosnia-Herzegovina—was compiled on the basis of the last, pre-war census in 1991.

Rules were established by the OSCE's provisional electoral commission to allow refugees to vote where they lived before the conflict, if they so chose, by postal ballot if necessary, or where they live now if they so chose.

This last rule has been criticised by Sarajevo as legitimising the deportation of people from their homes that characterised the Bosnian conflict and became known as "ethnic cleansing."

Out of the 3.2 million people expected to or entitled to vote, some 2.4 million are refugees or displaced people.

The last elections in Bosnia-Herzegovina were held in 1990. Nationalist parties won in most areas, save in the northern Bosnian town of Tuzla.

B-H: LBO Says Elections 'a Chance To Halt' Current Policy

AU2506132296 Belgrade BETA in Serbo-Croatian 1558 GMT 25 Jun 96

[FBIS Translated Text] Sarajevo, 24 June (BETA)—Salih Foco, vice president of the Liberal-Bosniak Organization [LBO], stated that the elections "are a chance to halt the existing policy in Bosnia-Herzegovina."

Foco stated at the news conference that the elections in Bosnia-Herzegovina are necessary and prerequisite, although all the conditions have not been met yet, ONASA reports.

The postponement of the elections would lead to "the prolongation of the war hypnosis," because the citizens will decide on war or peace with their votes, as Foco said.

He said that "in the present circumstances, nothing is more important that the elections, which will mark the onset of the economic revival, the reactivating of resources, and the functioning of the institutions."

Foco assessed the recent visit by Franjo Tudjman to Medjugorje as a gross violation of Bosnia-Herzegovina's sovereignty and the formation of the new Herzeg-Bosnia government as the "last spasm of the Croatian policy."

B-H: Parties Air 'Most Vehement Protest' on Mostar Elections

LD2506212596 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 25 Jun 96

[FBIS Translated Text] The Joint List of Bosnia-Herzegovina made up of the Social Democratic Party, the Union of Bosnia-Herzegovina Social Democrats, the Croatian Peasant Party, the Republican Party, and the Muslim Bosniak Organization again voice their most vehement protest in connection with the upcoming elections in Mostar, says a statement issued today by the Joint List of Bosnia-Herzegovina.

Despite all promises made by the international community and federal bodies of Bosnia-Herzegovina, the statement goes on to say, candidates of the Joint List of Bosnia-Herzegovina have been exposed to unprecedented pressure, physical maltreatment, everyday threats and blackmailing, telephone intimidation, and threats to kill their children and families, which is all aimed at keeping our candidates in an atmosphere of general fear. Some candidates, particularly Croat ones, have given up their candidacy due to this kind of pressure; all this is taking place under the administration of the European Union, before the eyes of a legion of observers and ombudsmen and with the knowledge of the federal authorities.

We would like to warn the international public that the elections in Mostar will be a great farce, a swindle, and a caricature of democracy if this practice continues, the statement says in conclusion.

B-H: EU 'Powerless To Stop' Election Violence If Unreported

AU2606093196 Paris AFP in English 0914 GMT 26 Jun 96

[FBIS Transcribed Excerpt] Mostar, Bosnia-Herzegovina, June 26 (AFP)—An EU spokesman said Wednesday that the European Union was powerless to stop threats or attacks against candidates in Sunday's elections unless they were reported to the police. The EU is organising the municipal elections, Bosnia's first post-war polls in this southern town which is divided betwen Moslems and Croats. On Tuesday the opposition Unified Democrats said that one of their candidates had been attacked and others had received threats. The party groups representatives of Croats, Moslems and Serbs.

The EU spokesman Dragan Gasic told AFP that he had contacted the police commissioner to ask about

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the incident. "We can do nothing unless the attacks are reported to the police," he said. "If they are, then the police can take action in each individual case," he said, while refusing to speculate on what action this might be.

In a statement published in the Bosnian press on Wednesday, the Unified Democrats said the election would turn into "a farce and a caricature of democracy" if these activities were not stopped. "Despite the promises of the international community and those of the (Moslem-Croat) Federation bodies...candidates have been subject to unprecedented pressure, physical aggression, blackmail, intimidation, and death threats against their children and families with the sole aim of making them live in an atmosphere of fear," said the statement, published in the daily OSLOBODJENJE. [passage omitted]

B-H: Review of Current Media Structure

AU2506073696 London WARREPORT in English Jun 96 No 42, p 17

[Report by Radivoje Budalic and Mark Wheeler in Sarajevo: "Press War by Other Means; There Is No Free Flow of Information"—ISSN 0969 2452]

[FBIS Transcribed Text] *With the following report, IWPR [Institute for War and Peace Reporting] launches its Bosnian Elections Media Monitoring and Training Project. Operating in close collaboration with the Sarajevo media research group Media Plan, IWPR will monitor the coverage of the elections within the Bosnian media, to assess whether conditions for a fair vote exist and, when elections are held, to analyse with what real choices the Bosnian electorate was actually presented. With the generous support of the Swedish International Development and Cooperation Agency and the Open Society Institute, the project will also organise training activities and provide information and other direct support for the media. This report on the present media structure in Bosnia is written by Radivoje Budalic of Media Plan and IWPR's Sarajevo Project Director Mark Wheeler.*

As the Organisation for Security and Cooperation in Europe (OSCE) prepares to certify whether conditions for free and fair elections in Bosnia and Herzegovina either exist now or can be expected to exist by the Dayton deadline of September 14, assessment of the media scene in the republic is assuming ever greater significance. For press freedom is listed along with freedom of movement and association, and the establishment of a politically neutral environment—among the essential preconditions for holding a vote.

Few would argue that even minimally acceptable conditions prevail at present, whether in the media, human rights or political spheres. The trouble is that the governments of the two entities see deficiencies only on the "other" side, whether of the border between the Bosniak-Croat Federation and Republika Srpska, or of the river Neretva at Mostar. They are at one only in their zeal to find fault (albeit contradictory fault) with Bosnia's international guardians. The latter, for their part, are keen to find reasons for the elections to go ahead. This is not just because they regard the Dayton timetable as sacrosanct or are impatient to pack their bags for pastures new, but because Dayton is a timetable. The elections, therefore, are not an end in themselves but a way station through which the peace process must pass.

Sample monitoring by the Sarajevo research group Media Plan of the main electronic media over the past few weeks has shown that the ruling parties continue to dominate the airwaves, both in terms of time on air and in their ability to set the media agenda. This, of course, is unsurprising, especially as the election campaign has not yet officially begun. There are already signs, however, that opposition parties will be relegated to election programme ghettos into which few viewers will want or dare to venture. The chief editor of Bosnian Serb Television has even denied of late that opposition parties have shown any interest in participating in the 60-90 minutes of daily election broadcasts planned by his network.

Overt expressions of hostility towards the "other" entity and its citizens appear more marked in the newscasts of Radio Television Srpska (RTS) than in those of Radio Television Bosnia-Herzegovina (RTV BiH), but both state broadcasters employ terminology and deploy arguments which are less than irenic. Local radio, on the other hand, is full of programmes providing access to all manner of opinions, but also to expressions of hatred far in excess of what the evening news from Pale has to offer.

In general the media picture remains both unstable and ill-defined, especially as regards the print media. Newspapers and magazines can be founded easily but they are also prone to quick deaths. The broadcasting scene is rather more stable, though the likely advent of internationally-assisted radio and television services in the course of the summer may alter the picture considerably. The OSCE is pinning its hopes on an off-the-peg election radio service which is to be provided by Switzerland, using mobile transmitters and covering up to 80 percent of the country with its signal. The Office of the High Representative, Carl Bildt, on the other hand, is concentrating on establishing a potentially longer-lived network from five existing, but upgraded, local television stations.

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An ongoing survey of the information environment in Bosnia has revealed the presence of some 145 print titles (newspapers, magazines and periodicals), 91 radio stations, 24 television stations and six news agencies in the two entities. Despite suffering severe material and staff losses in the course of the war, the country's media have, paradoxically, also experienced a veritable boom, both during and after the fighting. There are, for example, more newly-founded newspapers than pre-existing titles. And while the first independent, local television stations were established shortly before the war, most have appeared since. Not surprisingly, the war has also provided a strong stimulus for the development of radio which, as a "hot medium," became the principal source of news for all sides in the conflict. There were already 51 radio stations in 1991, but their number has since increased dramatically.

The war has totally destroyed Bosnia's formerly integrated information system. In its place, three completely separate and mutually antagonistic information systems have been created. There is no free flow of information. The distribution both of the press and of radio-television signals is limited by areas of military control. Not a single one of the essential elements for a common media market exists. The regulatory frameworks remain distinct and broadcast frequencies are disputed. The investment of private capital is either restricted or, as is the case in Republika Srpska in regard to television, effectively prohibited.

Bosnian Army-Controlled Territory

The largest number of media outlets is to be found in that part of the federation under the control of the Bosnian Army. These broadcasters and publishers are divided however, between those representing a civic (or multinational and multicultural) point of view and those upholding pronounced national-Bosniak or Croat orientation. According to the latest available data, through May 1996, some 110 newspapers, magazines and other periodicals are being published on Bosnian Army-held territory. There are, in addition, 40 radio and 17 TV stations in this part of the federation. Such a relatively advanced level of media development is the result of a number of factors: namely, fairly liberal regulations on the founding of media, a comparatively pluralistic political and media environment, a long-standing media tradition tied to the larger cities (Sarajevo, Tuzla, Zenica and Mostar) and much greater interest on the part of foreign benefactors.

The most powerful medium is Bosnian state radio and television, which broadcasts one radio and one television programme. RTV BiH is still the official broadcaster of Bosnia and Herzegovina, but, in effect, the network is recognised as such only in that part of the federation under Bosnian Army control. RTV BiH programmes can be seen and heard over a large part of the federation, with the exceptions of the Una-Sana and Gorazde cantons.

Three daily newspapers are published, all in Sarajevo: OSLOBODJENJE, which has the largest reputation and longest tradition, VECENRNJE NOVINE, and the recently founded DNEVNI AVAZ. All also style themselves as independent. Their circulations are limited, albeit proportionate to the decreased purchasing power of the population and the obstacles which continue to inhibit distribution throughout the federation. Sarajevo is also the centre of periodical publication. The independent news magazines SLOBODNA BOSNA, published biweekly, and the monthly DANI are noted for their uncompromising and critical attitudes towards the government. The biggest selling, LJILJAN, is an explicitly Bosniak weekly. Regarded as being very close to the ruling Party of Democratic Action (SDA), it plans to complement its publishing activities by launching a television service, presumably also espousing a Bosniak nationalist line. The biweekly tabloid FOCUS was started recently by the Avaz publishing house. It specialises in sensational political stories. Also published in Sarajevo is HRVATSKA RIJEC, a weekly tabloid expressing the views of the Croatian Democratic Union (HDZ).

Several weekly or fortnightly newspapers of varying profiles are published in the provincial centres of the federation. Those with a pre-war pedigree include NASA RIJEC in Zenica, FRONT SLOBODE in Tuzla and SLOBODA in East Mostar. The editor of the latter was recently ousted in favour of an SDA loyalist. The main daily and weekly papers from Croatia are freely and continuously distributed over the whole territory of the federation.

Besides the state-owned RTV BiH, there are nine, mainly private local radio stations and three private television stations in Sarajevo. The greatest political influence is wielded by TV Studio 99 and TV Hayat and, among the radio stations, by Radio Studio 99, Radio Zid, Radio Stari Grad and Radio Vrhbosna. The last named promotes the traditions and culture of the Croat community. In Tuzla there are three television stations (one of which, RTV Tuzla, is run by the opposition-controlled party, and one by the SDA-controlled canton), as well as three radio stations (two of which are privately owned). A public RTV service has also been founded in Zenica, although the private station, ZETEL, enjoys a greater reputation.

Since May 1, four local television stations—Studio 99, TV (East) Mostar, ZETEL and RTV Tuzla-have oper-

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ated a pool through which they exchange programmes. All of these, plus TV Hayat and a group of independent producers and journalists in Banja Luka, are also set to become partners in the latest incarnation of what has often been dubbed the "alternative" or "Bildt TV" network. Their joint venture, currently styled "IN TV," envisages six hours per day of common programming, including an evening news broadcast. Initially, programmes are to be transmitted by satellite among the local (but enhanced) terrestrial broadcasters, and between them and a production centre in Sarajevo. A transmitter for Banja Luka will have to be constructed and maintained under international protection It is unlikely, however, that the new network will able to expand beyond the five population centres before elections take place. Croatia's HRT television signal already reaches a large part of the federation, and is also rebroadcast locally by transmitters installed in towns controlled by the Croatian Defence Council (HVO). The HRT radio programme on medium wave has long been audible over much of Bosnia.

In Sarajevo there is an official news agency, BH PRESS, an independent agency, ONASA (a division of the newspaper OSLOBODJENJE), an agency of the Islamic community, MINA, and a specialised agency, SAFAX, owned by Media Plan.

HVO-Controlled Territory

Fifteen radio stations, five local television stations, nine newspapers and the official HABENA news agency operate on HVO-controlled territory (i.e., in the "Croatian Republic of Herzeg-Bosnia"). Most are based in West Mostar, and all are exponents of a strongly nationalist line.

The majority of Croat-controlled municipalities possess radio stations, the bulk of which were born during the war. The most developed and influential medium is Radio Herzeg-Bosnia, which covers a large part of the federation. Its owner and founder is the "government" of Herzeg-Bosnia. Local radio stations are mainly organised as public (municipai) companies. There has, thus far, been little progress towards media privatisation.

The television system is still in its infancy. The only major station is Croat TV Mostar. Although a private company, it exercises a significant public role. TV Herzeg-Bosnia is scheduled to become operational in June as a public company, and to cover a large swathe of the federation.

Print media appear intermittently. They mostly have aneducational, cultural or specialist profile. There are no daily or weekly newspapers of an informative-political character. The pro-HDZ tabloid HRVATSKA RIJEC comes from Sarajevo.

Media from the Republic of Croatia are ubiquitous on theterritory of Herzeg-Bosnia. HRT television carries regular reports on events in Herzeg-Bosnia in its "Croatia Today" programme. All the main Croatian papers and magazines are promptly distributed in the area. Only those publications from Bosnian Army-controlled parts of the federation which are critical of the regime (e.g., SLOBODNA BOSNA) have access to the press market in Herzeg-Bosnia at present.

Events of special interest to Croats are covered by the HABENA news agency which is closely tied to the Croatian state news agency, HINA.

Republika Srpska

Data on the media in Republika Srpska are far from complete—a result of the closed information system in this entity. With the exception of a few independent media outlets in Banja Luka and, most recently, in Doboj, all the Republika Srpska media pursue strongly nationalist agendas.

Thirty-six radio and two television stations broadcast on the territory of the Serb enti There are, in addition, some 25 newspapers, reviews and journals of varying profiles. A Serb news agency, SRNA, was set up at the beginning of the war It is under the direct control of the state and the ruling Serbian Democratic Party (SDS) structures in Pale.

The backbone of the information system in Republika Srpska is Serbian Radio-Television (SRT, but also known colloquially—and confusingly—as SRNA). It was created during the war by the merger of the radio and TV stations in Banja Luka and Pale, using a frequency seized for the purpose. Today these form an integrated program and production system. Radio stations in Bijeljina and Prijedor also operate within the SRT framework, as do local TV studios in Bjeljina, Prijedor, Bosanski Novi, Trebinje and Doboj.

SRT's technical and communications systems were severely damaged during NATO bombing raids in summer 1995, but by early May of this year they had been largely reestablished, thanks to the installation of new relays on Kozara and Majevica mountains and the establishment of a secondary transmission network. The SRT television signal can be viewed over a large part of Bosnia, Vojvodina, central Serbia and Croatia.

SRT Radio broadcasts a 24-hour programme into which the Banja Luka and Pale studios alternately feed, according to a regular scheme. Twenty-nine, mostly municipally owned local radio stations also operate

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on the territory of Republika Srpska, broadcasting for between 12 and 24 hours daily. All the public stations carry the more important SRT newscasts, as well as its "Open Programme."

There are, in addition, seven private radio stations with mostly small ranges and audiences. No details are available about the level of material and programmatic independence of these stations.

It is necessary, however, to mention the private Radio Big in Banja Luka. Although such news as it broadcasts (in the midst of its basic diet of pop music) does not differ essentially from that of the government media, the station is expected to play a significant part in the election campaign by virtue of paid political advertising. Radio Krajina, also sited in Banja Luka, proclaims itself an independent, national and patriotic station, behind which—it seems—stand certain military elements in Republika Srpska.

Regime representatives, opposition politicians and independent intellectuals all attended its opening ceremonies last October.

On the whole, the privatisation of the electronic media is both tightly controlled and just beginning. This applies particularly to private television, which practically speaking, does not exist yet. The Republika Srpska assembly recently passed a law regulating the foundation of private TV stations. This is very restrictive, demanding a large quota of in-house production, setting high technical standards and imposing steep taxes for the use of frequencies. In addition, guarantees of political loyalty to the "republic" and its authorities are required.

Depending on the whim of SRT officials, either the first or second channel of Radio-Television Serbia (RTS) is fed daily into the network. Radio Belgrade's medium wave programme has long covered Bosnia.

The only daily newspaper in Republika Srpska is GLAS SRPSKI, published in Banja Luka. The most influential weekly is SRPSKO OSLOBODJENJE, which purports to be a continuation of Bosnia's oldest daily. A significant influence on members of the ruling SDS is reputedly exerted by the party's magazine, JAVNOST, which was founded before the war.

Twelve other newspapers and magazines are published in Republika Srpska under municipal ownership. There are also 12 privately owned publications. Of the latter, eight are officially registered with the courts, while the other four are in the process of gaining registration. The most significant private papers are NEZAVISNE NOVINE (launched by the president of the opposition bloc in the Republika Srpska Assembly, with a print run of 10,000) and NOVI PRELOM (which prints 5,000 copies and is owned by the Liberal Party). Both are published in Banja Luka and distributed throughout Republika Srpska and in parts of Yugoslavia. A few copies of NOVI PRELOM find their way onto the markets in Sarajevoand Tuzla. The privately owned EKSTRA magazin from Bjelina (15,000 copies) and Alternativa from Doboj (an independent paper with links to the army) are also worthy of note. All these papers appear fortnightly and are open to such political opinions as prevailing circumstances in the Serb entity permit.

All significant titles from the Federal Republic of Yugoslavia are distributed throughout Republika Srpska. SRT regularly uses copy supplied by the Belgrade-based TANJUG news agency in its programmes, as well as despatches from Radio-Television Serbia's network of correspondents.

Half-Full or Half-Empty?

The Bosnian media do not operate in anything approaching a media market. Media management is almost unknown. Foreign donations still have a far greater influence on the configuration of the media. The first tentative signs of a genuine media market are only now appearing. Yet indicative symptoms of likely postwar conditions can be seen in most media. They include new financial difficulties, frequent fluctuations in staff, unresolved problems over the allocation of frequencies by the state and legal bustles with the owners of premises. Only a small minority of media outlets are showing any capacity to fight for their readers, viewers and listeners with a quality "product," and a contemporary marketing approach. On the other hand, one positive development has been the flow of private capital into the media, especially in that part of the federation under the control of the Bosnian Army. In other regions, however this process has been very restricted, especially in broadcasting.

The war interrupted the process—initiated before the fighting—of privatisation of socially-owned media. As a consequence, the exact ownership status of many media remains unclear, including that of such important publishing houses as Oslobodjenje.

The regulatory environment is also inadequate and incomplete, especially as regards the broadcasting system. A big difficulty is the lack of legal criteria for the allocation of available radio and television frequencies as well as for the protection of copyrights. Nor has the Bosnian Government yet amended a regulation issued late last year, which prevents the linking of private stations' frequencies into a network or using several transmission points to provide wider reception. The proposed IN TV

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expects to get around this by using both satellite communications and the already-established frequencies of its partner stations. (In Banja Luka it will merely join the free-for-all.) It remains to be seen, however, whether it can win a wide audience in the face of some Bosnian media and public criticism that it represents a form of western media colonialism.

In effect, the election campaign has already begun, as has the struggle to establish influence over the media. The parties are focusing above all on the most powerful and most influential media, but they are also beginning to take account of the local media. Reliable assessments of the editorial policies being adopted by individual media cannot yet be made. These will become clear only when the race officially commences, as will the various media outlets' readiness and ability to respect all legitimate interests, democratic currents, professional standards and OSCE-promulgated media rules.

B-H: Silajdzic Files Formal Complaint to OSCE Against SDA

AU2506180896 Paris AFP in English 1800 GMT 25 Jun 96

[FBIS Transcribed Text] Sarajevo, June 25 (AFP)—The first formal complaint of the Bosnian electoral campaign was made Tuesday to the OSCE [Organization for Security and Cooperation in Europe] by the party of former Bosnian prime minister Haris Silajdzic, the OSCE said here.

Silajdzic, a key rival of Bosnian President Alija Izetbegovic in the elections, was struck on the head with an iron bar 10 days ago when he was to address an electoral meeting at Cazin, northwest Bosnia.

Silajdzic's Party for Bosnia-Herzegovina [SBiH] accused supporters of Izetbegovic's Party of Democratic Action [SDA] of the attack. Seven people have been arrested.

A complaint over the attack was sent Tuesday to the election appeals sub-commission "to decide whether there has been a breach of the electoral code of conduct," the Organisation for Security and Cooperation in Europe (OSCE) said.

If the commission agrees a breach took place, it can issue a reminder of good conduct, order the offending party to pay a hefty fine, or ban the party from the elections, the OSCE said.

The OSCE which will organise and supervise the vote decided Tuesday to set the date of the elections as September 14.

B-H: Abdic Supporters Said Involved in Cazin Incident

AU2606100196 Sarajevo VECERNJE NOVINE (European edition) in Serbo-Croatian 26 Jun 96 p 4

[Report by V.N.: "Greatest Number of Abdic's Thugs"]

[FBIS Translated Excerpt] Out of some 100 persons who, according to eyewitnesses, participated in the incident in Cazin during which Dr. Haris Silajdzic was injured at a rally of the Party for Bosnia-Herzegovina, officials of the Una-Sana Canton Police Ministry have identified 18 persons. Criminal charges have been filed against four of them. [passage omitted]

The Police Ministry of Una-Sana Canton claims that the investigation into the Cazin incident continues and that the police and other offices will do everything within their power to see that none of the offenders go unpunished. [passage omitted]

It is noteworthy, however, that among the suspects and those charged, a majority have the same surnames as people who in the past sided with traitor Fikret Abdic.

So far, during the investigation and the presentation of its results to the public, it has been persistently maintained that the events in Cazin were a spontaneous reaction by Cazin residents to the mutterings of a man of dubious mental health at the entrance to the Army Hall in Bihac. [sentence as published] [passage omitted]

B-H: Karadzic Reportedly Agrees 'To Step Down'

AU2606103296 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 26 Jun 96

[FBIS Translated Text] According to a Radio Belgrade reporter from Banja Luka, at the session of the clubs of deputies of the Serb Republic Assembly in Pale last night, Radovan Karadzic agreed to step down from the post of Serb Republic president. He will, however, remain president of the Serbian Democratic Party.

Serbian President Slobodan Milosevic and UN Senior representative for Bosnia Carl Bildt were informed of this.

B-H: Bildt Denies Receiving Karadzic's Resignation Conditions

AU2606102396 Paris AFP in English 1006 GMT 26 Jun 96

[FBIS Transcribed Text] Sarajevo, June 26 (AFP)—Carl Bildt, civilian affairs coordinator in Bosnia, has not received a letter from Bosnian Serb leader Radovan Karadzic stating conditions for stepping down, his office said Wednesday.

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"We have received no letter," spokesman Duncan Bullivant said, adding: "We have to wait and see what is happening in Pale," the capital of the Bosnian Serb entity in Bosnia.

According to the independent publication VIP in Belgrade, the Serb leader had sent a letter stating his conditions for stepping down in a letter sent Tuesday to Bildt and to the deputy prime minister of the rump Yugoslavia, Nicola Sainovic.

VIP said Karadzic demanded in the letter that his Republika Srpska be recognised as a state and that the strategic city of Brcko in northern Bosnia remain in Serb hands.

The fate of the town, which links Serb territory in eastern and western Bosnia, will be determined by international arbitrage between now and December 14.

The Bosnian Serb parliament was to resume work late Wednesday morning.

B-H: Izetbegovic Aide: Karadzic Just Trying To Save His Skin

AU2506152596 Paris AFP in English 1518 GMT 25 Jun 96

[FBIS Transcribed Text] Sarajevo, June 25 (AFP)—Hints by Bosnian Serb leaders that Radovan Karadzic might step down are not new and [are] an attempt by the self-styled Serb president to "save his skin," an aide to Bosnian President Alija Izetbegovic said Tuesday.

"That is nothing new. He has already said it. He is just trying to save his skin," Kemal Muftic, a senior advisor of Izetbegovic told AFP.

A top Bosnian Serb hinted Tuesday senior Serb leader Radovan Karadzic was about to step down to avoid massive international pressure being turned on Bosnian Serbs.

Momcilo Krajisnik, considered to be the closest of Karadzic's small inner circle of advisors, said after a three-hour meeting with international envoy Carl Bildt that the Bosnian Serb "president" would be ready to step down from office if it is in the interest of the Serb people.

Muftic said: "He wants to make a compromise with the international community" to allow him to escape a trial for war crimes.

"It is shameful for the international community that it has to try for months to persuade a war criminal to give up his power," he added.

Karadzic, who is wanted by the International Criminal Tribunal for former Yugoslavia in The Hague on war crimes charges, should be arrested by the NATO-led peace Implementation Force (IFOR), he said.

B-H: Bildt Aide Criticizes Klickovic's Absence From Meeting

AU2506175396 Paris AFP in English 1746 GMT 25 Jun 96

[FBIS Transcribed Text] Sarajevo, June 25 (AFP)—An aide to Carl Bildt, the top civilian official implementing the Bosnian peace process, Tuesday slammed the Bosnian Serb prime minister for failing for the second week running to attend a meeting here.

Gogko Klickovic, premier of the Bosnian Serb entity (RS) [Serb Republic], Tuesday failed to show for a meeting with Bosnian Prime Minister Hasan Muratovic and the premier of the Moslem-Croat federation, Izudin Kapetanovic.

"This refusal to attend (an) agreed meeting calls into question the sincerity of RS statements that they intend to cooperate fully with the implementation of the peace agreement," an official from Bildt's office said.

"This refusal to attend agreed meetings is against the undertakings in the peace agreement to work together within the framework of the joint interim commission and the joint civilian commission," added the official, who asked not to be named.

Klickovic failed last week to attend a similar meeting, and Bildt slammed his attitude as "unacceptable."

B-H: Serb Speaker Cites 'Pressure' After Meeting Bildt

LD2506150296 Pale Srpska Radio-Televizija First Program Serb Radio in Serbo-Croatian 1400 GMT 25 Jun 96

[FBIS Translated Excerpt] Momcilo Krajisnik, speaker of the [Bosnian] Serb Republic People's Assembly, had talks in Pale today with Carl Bildt, the high international representative for former Bosnia-Herzegovina about the further implementation of the Dayton agreement. Here is a report by Zoran Zuza:

[Zuza] This meeting has again shown that the international community is not giving up pressure on the Serb Republic leadership and the Serb people as a whole when it comes to the decision to put forward Serb Republic President Radovan Karadzic as a presidential candidate in the forthcoming elections. This is what Momcilo Krajisnik, speaker of the Serb Republic People's Assembly, said following his meeting with Bildt today. He went on to say:

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[Begin Krajisnik recording] This is pressure by the international community with regard to their standpoint on the implementation of the Dayton agreement in connection with the elections. We are trying to find a compromise solution by which the Dayton agreement would be implemented, not abused and misinterpreted. When I say this, I mean that there is a mechanism for implementation of the elections—that is, the OSCE [Organization for Security and Cooperation in Europe]—and only this mechanism should be observed, normally with respect for the democratic will of our people.

Whatever is implied today has a level of overemphasized pressure, which has caused completely different reactions, not to say counterreactions. We even wonder at times whether someone—we do not say the entire international community—wishes at all to implement the Washington agreement, or whether someone wants this agreement to fail.

We want to do everything for the Dayton agreement to be implemented, peace to be preserved, and elections to be held. This is in the interests of the Serb people and of us—the Serb Republic leadership—because we think that fresh elections will provide fresh legitimacy to the Serb Republic and, of course, a new way of communicating at the level of Bosnia-Herzegovina. [end recording]

[Zuza] Asked what sort of a compromise solution might be proposed by the Serb Republic leadership, Krajisnik reiterated that President Karadzic is absolutely the most popular person among the Serbs, and went on to say that President Karadzic would not do anything that would be contrary to the interests of the Serb nation and the Serb Republic. The final decision on which candidates will feature on the electoral list of the Serb Democratic Party will be made by the main committee of the party, Krajisnik concluded. [passage omitted].

B-H: FM Buha Sees Karadzic as Likely Presidential Nominee

LD2506145496 Pale Srpska Radio-Televizija First Program Serb Radio in Serbo-Croatian 1400 GMT 25 Jun 96

[FBIS Translated Text] Serb Republic Foreign Minister Aleksa Buha said that at the assembly session to be held on 28 June, the Serb Democratic Party [SDS, ruling party] will not nominate its candidates for forthcoming elections. In an interview for BBC Radio last night, he said that the new leadership of the Serb Democratic Party will be elected on Friday. Five, six days later, this leadership will choose its candidates for elections at all levels.

The Serb foreign minister confirmed that the proposal of the Pale SDS municipal committee, which initiated the candidacy of Radovan Karadzic, is an indicator of the wider mood. From other sides, similar proposals are being made, and it is a reliable indication of the mood of our people regarding the candidacy of President Karadzic, Minister Buha explained.

Asked whether the leadership of the Serb Republic takes into consideration negative international reactions at the possibility of Karadzic being a candidate, Buha replied: We must take into consideration the mood of our people before anything else.

B-H: Krajisnik: Serbs Want Karadzic To Remain President

LD2506155596 Belgrade SRNA in Serbo-Croatian 1424 GMT 25 Jun 96

[FBIS Translated Excerpt] Sarajevo, 25 Jun (SRNA)—Momcilo Krajisnik, speaker of the [Bosnian] Serb Republic People's Assembly, said after a meeting with Carl Bildt, high representative of the international community, that the Serb people want Radovan Karadzic to remain president of the Serb Republic despite pressure exerted by the international community for Karadzic's removal from office.

"Every attempt to exert pressure is detrimental to democratic elections. If there is a desire to eliminate some people in the Serb Republic, then there is a mechanism to do so; should that happen, the party and the people will react as they deem appropriate," Krajisnik explained, saying: "President Karadzic is absolutely the most popular person in the Serb Republic, and this can be explained in different ways, but if he is not reelected president of the republic that will not be the will of the people, but something imposed."

Krajisnik conveyed President Karadzic's standpoint that "he would not like to cause a crisis either in the implementation of the Dayton agreement or in the Serb Republic for the sake of safeguarding his personal interests."

Commenting on rumors regarding the alleged replacement of President Karadzic and the appointment of Serb Foreign Minister Aleksa Buha as his successor, Krajisnik said that Buha is a very respected person, and that he has proved himself as a statesman who has shown a great deal of devotion and wisdom in pursuing Serb policy, but the final decision on this will be made by the main committee of the Serb Democratic Party.

Asked by a journalist whether his talks with Bildt today will change the course of the assembly session, Krajisnik said that compromise solutions which would enable

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the further implementation of the Dayton agreement are being sought. [passage omitted]

B-H: Krajisnik Says International Pressure 'Counterproductive'

AU2506143496 Belgrade BETA in Serbo-Croatian 1248 GMT 25 Jun 96

[FBIS Translated Excerpt] Pale, 25 Jun (BETA)—Peoples' Assembly Speaker Momcilo Krajisnik stated today, after the talks with the UN senior representative for Bosnia Carl Bildt, that the pressure on the Serb Republic [RS] is "counterproductive" and that there is "a limit" beyond which one ought not go.

Krajisnik and Bildt discussed the process of the realization of the Dayton Accord in Pale. This process, as the senior representative said after the talks, "is encountering certain problems that interest the international community." [passage omitted]

As one of the biggest obstacles to the holding of the free elections in Bosnia, Bildt cited the Serb Television in Pale, due to its bias, as he said.

Krajisnik said that "more pressure on the Serb side" was exerted at the meeting with regard to the Bosnian elections.

"President Karadzic is absolutely the most popular personality in the Serb Republic, and if he does not become president, it is clear that this will trigger certain reactions with the people. On the other hand, I can convey the personal message of President Karadzic that he will do everything not to bring the interests of the Serb Republic and the Serbian peoples into question," he added.

"We are trying to find a compromise solution that would honor the Dayton accord," RS assembly speaker explained.

"The pressure has countereffects to the extent that we wonder whether anyone in the international community wants the agreement to collapse," Krajisnik concluded after the talks with Carl Bildt.

B-H: Speaker Hails 'Successful' Serb Assembly Session

LD2606084296 Belgrade SRNA in Serbo-Croatian 0242 GMT 26 Jun 96

[FBIS Translated Excerpt] Sarajevo, 26 June (SRNA)—Momcilo Krajisnik, speaker of the People's Assembly of the [Bosnian] Serb Republic, said in Pale this morning that the assembly's 60th session was successful because a number of laws were adopted providing conditions for the state to function more efficiently. [passage omitted]

Commenting on the outcome of the latest talks with high representative [coordinator of the international civilian operation in Bosnia] Carl Bildt and representatives of the Federal Republic of Yugoslavia, Krajisnik said that the [Bosnian Serb] deputies "discussed the political situation and adopted very good conclusions which contribute to holding the elections and to removal of all obstacles."

B-H: Party Urges 'Civil Disobedience' Against Karadzic's SDS

AU2506202196 Belgrade BETA in Serbo-Croatian 1517 GMT 25 Jun 96

[FBIS Translated Excerpt] Banja Luka, 25 Jun (BETA)—The Social Liberal Party of the Serb Republic (SLS RS) appealed today to the citizens of the Serb Republic [RS] to exercise civil disobedience against the ruling Serbian Democratic Party (SDS), describing the SDS's political work as a "dark caricature."

"The SDS is replacing directors or sacking those who are members of other parties. They are passing laws that represent yet another plunder of their own people," the leadership of the SLS RS says in its statement.

The SLS RS claims that the SDS is collecting signatures of support for Radovan Karadzic so that he can run as a presidential candidate "despite the indictment by The Hague and everything that his aides have done, above all to the Serb people." [passage omitted]

B-H: Ilidza Party Meeting Urges Karadzic Candidacy

LD2506194496 Pale Srpska Televizija in Serbo-Croatian 1800 GMT 25 Jun 96

[FBIS Translated Excerpt] A new municipal committee of the [ruling] Serb Democratic Party [SDS] was formed in the Serb municipality of Ilidza today.

[Correspondent] Dr. Radovan Karadzic should stand as a candidate for president of the [Bosnian] Serb Republic in the multiparty parliamentary elections in September. This was unanimously decided by members of the Ilidza SDS municipal committee at today's meeting.

The Ilidza SDS municipal committee, by adopting this standpoint, has joined party committees in Pale and Banja Luka, which have said that the people voted the leaders of the Serb Republic into power, led by Dr. Karadzic, and, in the period of peace, he should and must remain at the state's helm. [passage omitted]

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B-H: Poll Shows Serbs Place 'Greatest Trust' in Karadzic, SDS

AU2506173196 Belgrade NASA BORBA in Serbo-Croatian 25 Jun 96 p 2

[Report by V.Dj.: "Karadzic and SDS Ahead of All Others"]

[FBIS Translated Text] Belgrade—According to an opinion poll conducted by EKSTRA MAGAZIN newspaper earlier this month in 10 cities in the Serb Republic [RS], the Serbian Democratic Party [SDS] enjoys the greatest trust of voters. Some 40.5 percent of those polled would vote for it, while 17.5 percent would vote for the Socialists. Vojislav Seselj's radicals are placed third with 11 percent of votes. RS President Radovan Karadzic is, according to this opinion poll, the personality who holds the most confidence. This is the opinion of 30.5 percent of those polled, while only 14 percent named the president of Serbia [Slobodan Milosevic]. A particularly interesting fact is that only 0.5 percent of those polled think that Momcilo Krajisnik, chairman of the RS Assembly and the chairman of the managing board of Serb Radio-Television, is the person who instills the greatest trust.

The opinion poll clearly indicates that the greatest stronghold of the SDS is in Pale, but the party is popular also in other areas where high tensions still exist (like Brcko, for example). The most diverse situation is in Banja Luka, where the popularity of other parties is increasing, but, even there, the SDS is convincingly the most popular party.

A large number of citizens in the RS, according to this opinion poll, believe that the Croatian Democratic Union and the Party of Democratic Action will win a convincing victory in the elections in the Federation of Bosnia-Herzegovina.

B-H: Former RS Prime Minister To Join Socialist Party

LD2606120096 Belgrade SRNA in Serbo-Croatian 1115 GMT 26 Jun 96

[FBIS Translated Text] Belgrade, 26 Jun (SRNA)—Rajko Kasagic, former prime minister of the [Bosnian] Serb Republic [RS], is to join the Socialist Party of the RS, the latest issue of NEDELJNI TELEGRAF reports.

According to the same source, Kasagic met with Serbian President Slobodan Milosevic on Tuesday 25 June. Kasagic will not put his candidacy forward for any important posts in the upcoming elections.

B-H: Pejanovic Urges Preserving Multiethnic Sarajevo

AU2506191796 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 Jun 96

[FBIS Translated Text] Mirko Pejanovic, member of the Bosnia-Herzegovina Presidency and president of the Serb Civic Council, received Danish Interior Minister Birte Weiss and her aides in Sarajevo today. They discussed the state of human rights in our country, with special emphasis on Sarajevo and the chances of preserving its multiethnic structure.

Pejanovic stressed that Sarajevo has won the battle for a unified city and that a battle should now be waged to preserve the multiethnic structure that has been significantly endangered after the departure of Serbs from Sarajevo following the process of reintegration. He said that it is necessary to secure the conditions for their return. The refugees from eastern Bosnia, temporarily living in Sarajevo, (?should) return to their homes.

B-H: UN Spokesman Views Recent Expulsions From Banja Luka

AU2506190496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 Jun 96

[FBIS Translated Text] Since 5 June, 52 persons of Bosniak nationality have been expelled from the Banja Luka suburb of Vrbnanja. This was stated by UN Sarajevo spokesman Alexander Ivanko at a news conference today.

He said that 30 people were expelled between 20 and 24 June. Ivanko stressed that, according to the latest information that he had received, the expulsion has stopped and the situation has calmed.

UNHCR spokesman Chris Janowski said he was pessimistic regarding the return of these expelled people considering the practice of the Serb authorities so far. He said that a UNHCR special envoy for Yugoslavia, Thorens Jensen-Petersen, will hold talks about this problem with the Serb authorities in Banja Luka today.

B-H: Serb Democratic Party Expels Banja Luka Mayor

LD2506180496 Belgrade SRNA in Serbo-Croatian 1709 GMT 25 Jun 96

[FBIS Translated Excerpt] Banja Luka, 25 Jun (SRNA)—Members of the assembly of the Serb Democratic Party of the municipality of Banja Luka adopted a unanimous decision today to expel Predrag Radic from the party. Radic is also president of the city assembly.

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Explaining the decision, the party says that Radic has set up the Democratic Patriotic Bloc to contest the forthcoming elections.

At the same time the assembly decided to start the normal procedure for the replacement of Radic as Banja Luka mayor.

The assembly also adopted a list of 15 candidates for deputies from this area for the future People's Assembly of the Serb Republic.

The proposed candidates are: Borivoje Sendic, Vitomir Popovic, Nedeljko Cubrilovic, Branislav Lolic, Milos Bojinovic, Djuradj Banjac, Vlado Cetojevic, Jovo Rosic, Risto Kozomara, Ostoja Knezevic, Dusan Lajsic, Nikola Erceg, Dragoljub Mirjanic, Petar Crnadak, and Momcilo Bulajic. [passage omitted]

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Croatia: Response to CE Memorandum Published

LD2506172396 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 25 Jun 96

[FBIS Translated Text] Deputies of the Croatian Assembly Chamber of Deputies have been sent the response dated 13 June of the Croatian Government to a 7 June memorandum from the Committee of Ministers of the Council of Europe with regard to Croatia's membership of the Council of Europe.

The response stresses that Croatia, as a central European and Mediterranean country, belongs historically to the civilization of developed Europe and regards its active involvement with European integration as a fundamental priority of its development.

Croatia's President Dr. Franjo Tudjman and Assembly Speaker Vlatko Pavletic accepted in writing on 15 March the undertakings for admission to the Council of Europe. The Republic of Croatia reiterates its readiness to fulfill these and the expectations of the Council of Europe toward admission as a full member.

On the implementation of the peace agreement, the document which the Croatian Government sent to Strasbourg says that Croatia is aware, particularly as one of the countries which initiated the founding of the international court for war crimes in the former Yugoslavia, of the importance of cooperation and is ready to confirm the correctness of its cooperation hitherto.

A commission for war crimes was founded and cooperates with the court. In Zagreb, an office of the international court prosecutor has been opened and the transfer of individuals via the territory of Croatia has been organized. The court has been regularly sent documentation on crimes committed on Croatian soil. The conduct of investigations has been facilitated.

The Assembly has adopted a constitutional law on cooperation of the Republic of Croatia with the Constitutional Court [as heard], and Croatia was the first, and is so far the only, state which has regulated by constitutional law relations and cooperation with the court. Through the mediation of the Croatian Government the voluntary appearance of General Tihomir Blaskic before the court was organized, which is the only such example in the practice of the court so far.

In the part of the document on the implementation of the agreement relating to the Federation of Bosnia-Herzegovina, the Government of the Republic of Croatia recalls that the Federation of Bosnia-Herzegovina is a crucial component in the successful implementation of the Dayton Agreement, and that Croatia is one of the most active factors in its establishment. It was Croatia which initiated the Council for Cooperation with Bosnia-Herzegovina and the Federation of Bosnia-Herzegovina, which is presided over by Croatian President Franjo Tudjman, with Alija Izetbegovic as deputy chairman. So far 12 agreements on mutual cooperation have been signed.

The Republic of Croatia is also assisting in the normalization of the situation in Mostar, whose citizens will be able to cross the territory of Croatia to take part in the upcoming elections. Our country also contributed to the founding of a combined tripartite police force to assist in the return of more than 16,000 refugees from western Bosnia, located on Croatian territory, and this humanitarian action has been successfully completed.

In reply to the memorandum of the Council of Europe's Committee of Ministers, the Croatian Government, setting out its position on human rights, minorities, refugees, and displaced persons, says it is giving problems in this area the greatest importance in its reconstruction and development programs, facilitating the soonest and most dignified possible return of all displaced persons and refugees, regardless of their nationality or ethnic origin.

Obstacles to the return of people to liberated areas of Croatia are a direct consequence of many years of insurrection and occupation. Large areas, from agricultural land to roads, have been mined. Mine clearance work is under way, but at the same time police patrols uncover hidden arms depots virtually every day, which is a warning of the need for additional caution.

Some 4.6 percent of the land area of Croatia is still occupied, so none of the 120,000 displaced Croats, Hungarians, and other non-Serbs have returned to Croatian Podunavlje [eastern Slavonia].

As regards the return of Croatian citizens of Serb nationality, one should differentiate between those who, at the height of the war in 1991 were displaced together with Croats, from those who, manipulated by their own leaders, left their homes during 1995 in an organized way. The latter voluntarily left Croatia despite numerous appeals from the president of the republic and the most senior Croatian officials.

Of around 16,000 individual requests to return, it is envisaged that 7,065 people will return to Croatia. The second and third phases envisage an organized return—that is, a final stage of return which will take place after the return of Croats. Questions of their status and other issues will be eased significantly by the normalization of relations between the Republic of Croatia and the Federal Republic of Yugoslavia.

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Croatia will open a consulate in Belgrade, and mutual recognition and the normalization of relations should provide an important stimulus for the further peaceful reintegration of Eastern Slavonia, Baranja, and Western Srijem.

In its reply, the Croatian Government says that our state has accepted consultations with Council of Europe experts and their advice in all cases relating to the protection of human and minority rights. Also, the adoption of a law on pardons, otherwise the third such law, means that Croatia has made an additional contribution toward the development of the whole process of demilitarization, peaceful reintegration, and the systematic resolution of the amnesty issue. Croatia will also resume cooperation with representatives and experts of the Council of Europe in connection with the implementation of the 1991 constitutional law on human rights and freedoms, and the rights of national and ethnic communities and minorities.

Replying to the memorandum of the Council of Europe's Committee of Ministers in connection with Croatian membership, the Croatian Government says in conclusion that it is determined to achieve European standards in the media, in its legal system and in practice, and that the draft law on public information, based on the experience and principles of Council of Europe documents, is currently going through parliament. The draft law is based on the Constitution of the Republic of Croatia, the freedom of the press and other media, and implies responsibility for any information made public.

A law on local government and self-administration, likewise based on the experiences of other European countries and Council of Europe documents, is in its final phase of revision. Experts of this institution will be informed in good time of the draft of this law.

According to a decision by the Croatian Constitutional Court, The Zagreb City Assembly will continue to operate, and on 2 June citizens declared their commitment to the reorganization of the city and Zagreb county in an advisory referendum. The ruling Croatian Democratic Union [HDZ], which won a majority of votes for the city assembly, has begun negotiations on partnership with the Croatian Social-Liberal Party [HSLS]. Even after the break-off of these talks by the HSLS, the HDZ remains open to negotiations with all parties of the center in order to resolve contentious issues. If no agreement is reached, fresh elections will be held, in accordance with the law on local government and self-administration, says the reply of the Croatian Government to the Council of Europe's Committee of Ministers, which was today presented to deputies in the Chamber of Deputies of the Croatian Parliament.

Croatia: EU Envoy Explains 'Regional Approach' to Balkans

AU2606093596 Zagreb NACIONAL in Serbo-Croatian 21 Jun 96 pp 2-3

[Report on interview with Fulvio Paolini, EU special envoy to Croatia, by Roman Majetic in Zagreb; date not given: "The European Union Will No Longer Negotiate With Croatia, but Only With a Group That Consists of Balkan Countries: Croatia, Bosnia, Serbia, Albania, and Macedonia!"]

[FBIS Translated Text] In the afternoon of 7 June, a column of white limousines stopped at the main gate of the Predsjednicki Dvori [Presidential Residence]. In one of the limousines, decorated with little blue flags with yellow stars, were seated two of the leading figures of united Europe: Jacques Santer, president of the European Commission, and Italian Foreign Minister Lamberto Dini, chairman of the EU Council of Ministers. With them was Fulvio Paolini, appointed special envoy of the European Commission in Croatia by Jacques Santer at the end of May.

In a discussion lasting several hours, the EU leaders informed President Tudjman of the EU Council of Ministers' decision, according to which the EU will henceforth conduct a different policy. The new concept about which Santer and Dini informed President Tudjman is called "the regional approach." It consists, in short, of the following: the EU asks of the states existing in the territory of former Yugoslavia that they establish peace in the region, create a stable security system, and provide for the economic prosperity of the whole region.

The EU will provide economic aid for Croatia, Bosnia-Herzegovina, the Federal Republic of Yugoslavia, Macedonia, and Albania (Jacques Santer and Lamberto Dini visited Zagreb, Sarajevo, Belgrade, and Skopje in only two days), exclusively in the context of "the regional approach," and on condition that those states of former Yugoslavia really develop cooperation, primarily in the economic sphere. Of the states of former Yugoslavia, only Slovenia is excluded from this principle. As a Council of Europe member state and—shoulder to shoulder with the Czech Republic—a state in transition with the largest economic growth, it will almost certainly be one of the first former communist countries to become a member of the EU.

"Regional Approach"

Pulvio Paolini, recently appointed the EU's special envoy to Croatia, with whom we talked in his office in the Zagreb hotel "I," explained what is meant by the EU's "regional approach":

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"The idea of the regional approach appeared for two reasons. First, there are still many unsolved problems in this region; the war in the territory of former Yugoslavia has not been resolved in its entirety. Apart from that, there are reasons within the EU that we decided to adopt such an approach. We wanted to clearly define the EU's policy toward the states of the former Yugoslavia in order to prevent some of the EU members from conducting their own policy toward some of the states on the basis of previously created privileged relations.

"The idea of the regional approach in fact means the creation of certain criteria on the basis of which the EU will negotiate with states that are not yet associated with it by an agreement. That applies to all the states of former Yugoslavia, except Slovenia.

"Primarily, all the states of the former Yugoslavia must provide for the stability and prosperity of the whole region, both in political and economic terms. The EU is interested in peace and stability in the whole area, as well as in the economic recovery of all the states and the whole region."

On his return from the two-day tour of the states of the former Yugoslavia, Jacques Santer said, in his speech to the ministers of the EU member states, that the leaders of the new states had not understood the new European policy. Macedonia, for instance, has reacted sharply to the proposed solution. It resisted any kind of association with Croatia, Bosnia-Herzegovina, and the Federal Republic of Yugoslavia, arguing that it was the only country of former Yugoslavia not to have been in any way involved in the war.

On the other hand, Santer stated, the EU delegation concluded that President Tudjman had not completely understood the proposed concept.

"We pointed out clearly to President Tudjman that the EU is interested in creating links and establishing relations with the states of former Yugoslavia, but that we did not want to establish separate links and make special contracts outside the framework of the 'regional approach.' If political, and primarily, economic cooperation is not established between the countries in the region, the EU is not prepared to begin bilateral negotiations with any of the states.

"So, it will be possible to establish economic links between the EU and Croatia as soon as Croatia establishes economic relations with other states in the region.

"Apart from that, we pointed out to President Tudjman that there are certain conditions for cooperation that are defined in the treaty signed by the EU member states in Maastricht: the EU respects the national identity of every member state, if it maintains a democratic system. The basic conditions are respect for basic human rights, the protection of minority rights, and respect for basic personal freedoms, like freedom of the press, and the right to the free movement of persons and goods.

"So, the new EU policy can be very easily and simply explained. Europe will help you if you help one another."

In a Group

It is a fact that among the heads of state in this area there are certain unclear things related to the "regional approach." That was the basic reason that President Santer and Minister Dini decided to visit Zagreb, Belgrade, Sarajevo, and Skopje. I must admit that none of them received the change in EU policy enthusiastically. When we explained the concept of the "regional approach for the Balkan countries" to President Tudjman, he gave us a long historical lecture in which he explained that Croatia was not a Balkan but a central European country.

That is beyond dispute: the fact that our project is called "Regional Approach for the Balkan Countries" does not mean that we are not aware of Croatia's central European identity, Fulvio Paolini said, asserting that the claims that the EU wanted to create some kind of Balkan federation or reconstruct Yugoslavia were completely groundless.

"On the contrary, this EU initiative should be considered an offer of privileged relations with the EU, simply a new way of negotiating to join new associations," Mr Paolini explained.

"Such claims are completely unfounded. The argument that the EU wants to make its relation with the states in this territory global is not correct either. We have only set certain criteria for cooperation. If they are respected, we will negotiate with each state separately, respecting its specific political and economic qualities."

what does this "regional approach" mean for Croatia? First, regarding cooperation with any world organization, Croatia has for the first time been directly placed in the same group as Serbia, Bosnia-Herzegovina, and Macedonia. The fact that the most important European institution has done this makes the problem for Croatia even bigger. The EU leaders in Brussels have obviously estimated that, six years after the former Yugoslav states gained independence, it has become clear with which countries Europe should build preferential relations, and which will stay on the waiting list, with almost the same status as in January 1992, when the EU recognized their sovereignty.

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Of all the states that emerged after the disintegration of former Yugoslavia, only Slovenia has a chance to become a full member of the European community in the foreseeable future.

Even today Slovenia is a full member of the Council of Europe: the European institutions describe Slovenia's privatization and economic growth exclusively in superlatives. With such conditions, including a stable and democratic political system, the smallest former Yugoslav republic rightly expects to be admitted to the EU. Even today it has privileged relations with the EU.

Although one should not expect that any country from the former East European bloc could be admitted to the EU in the next three years (that was recently confirmed to us by Rene van den Linden, vice president of the Council of Europe, and member of the Dutch delegation in the EU Assembly), Slovenia will almost certainly be admitted, along with the Czech Republic, in the first round.

Although on the eve of recognition the EU treated both Croatia and Slovenia in the same way, today their status and rating in European institutions differ in many respects.

Croatia, from being the major candidate for admission to all European institutions, including the EU (at the beginning of 1991, EU economic experts estimated that the Croatian economy would be the fastest and easiest among the states of former Eastern Europe to develop to the level required by the EU), has over the last five years become one of the countries in the group with the Federal Republic of Yugoslavia, a country that has spent several years in total international isolation for provoking the war in Croatia and Bosnia-Herzegovina.

Out of Europe

The reasons for that were, in large measure, precisely Serbia's war and aggression on Croatia.

Croatia's indisputably bad status in Europe has, however, also been influenced by a number of other factors: the war between the Croats and Muslims in Bosnia-Herzegovina, the constant pressure by the authorities on the independent media, the problem of the return of the Serbs who fled after Operation Storm, inadequate cooperation by Croatia with the Hague Tribunal, and, finally, President Tudjman's persistent refusal to accept the results of the elections in Zagreb.

In short, today Croatia is known in Europe as a country with an unstable political order, poorly developed democratic institutions, a country in which basic human rights are often violated, and the basic individual freedoms of citizens are limited.

Therefore, the recent failure of Croatia to enter the Council of Europe after three years of waiting—let us recall, Croatia was rejected mainly because of the election crisis in Zagreb and because of the authorities' attacks on the free media—was probably the last chance to join Europe and escape from the isolationism to which all newly created states that do not show that they are fully prepared to respect European criteria are condemned.

Fulvio Paolini, to be frank, emphasizes that the idea of the regional approach was created before Croatia's application for full membership in the Council of Europe was rejected. Still, it is hard to imagine that a member state of the largest European institution would be treated the same way as a state that Europe and the whole world had held in total isolation until recently.

After all, Fulvio Paolini makes no secret of the fact that the status of Croatia in the Council of Europe significantly influences Croatia's relations with the EU:

"Of course the refusal of the Council of Europe to admit Croatia to full membership has an impact on Croatia's relations with the EU. One must point out that the Council of Europe and the EU are two different organizations, but it is a fact that the EU applies different treatment to the countries that have already become members of the Council of Europe. It is hard to imagine that the EU can develop closer relations with a country that is not a member of the Council of Europe, because membership in that organization shows that it is a country that has a democratic order and legal system, and respects basic human rights and individual freedoms, like, for instance, freedom of the press.

"Regarding the countries to which the 'regional approach' applies, the EU will follow exclusively the criteria stated by the EU itself. For instance, if the EU decides financially to support the economies of some of the aforementioned states, it will not raise funds for Croatia, but will found a budget that will be distributed to the countries of the region. Of course, the condition for cooperation with the EU is economic association between Croatia, Serbia, Bosnia-Herzegovina, and Macedonia, primarily regarding the free movement of persons and goods.

"The EU will not accept the continuation of the construction of economic barriers between those countries, but wants to enable the free transport of goods from Slovenia to Greece. And the condition for that is the creation of firm economic ties among the states to which the 'regional approach' applies."

The EU's new policy toward the territory of former Yugoslavia not only prevents Croatia from establishing

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special relations with the EU, but also puts it at the bottom of the list of countries that would like to become EU members. Namely, the "regional approach" does not at all mean that the states it is intended for will be admitted to the EU—if they respect the aforementioned criteria.

Therefore it is not hard to draw the conclusion that today Croatia's position in Europe is probably the worst since the day it gained independence. Regarding relations with the EU, it is hard to expect Croatia's position will significantly improve even if Croatia becomes a member of the Council of Europe in the next couple of months. However, one thing is almost certain: if Croatia had become a member of the Council of Europe before the change in the European policy toward the states in the territory of former Yugoslavia, its status today would have been much closer to the Slovene, and much farther from the Serbian.

Croatia: FM Granic, Bosnian Envoy Discuss Defense Law

LD2506215096 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 25 Jun 96

[FBIS Translated Text] Croatian Foreign Minister Dr. Mate Granic has received Dr. Kasim Trnka, ambassador of Bosnia-Herzegovina, with whom he discussed the current situation in the implementation of the Dayton Agreement and initiatives to further strengthen mutual relations.

It was concluded that approval of laws necessary to enable the functioning of all executive institutions in the Bosnia-Herzegovina Federation should be speeded up. It is particularly necessary to approve without delay the defense law, which is a vital element for the more rapid realization of the Dayton Agreement.

It was also stressed that the governmental and control functions of cantons and municipalities should be further strengthened, as should the government of the federation, in order to overcome political disagreements between the two communities.

It was agreed that delegations of the Governments of the Republic of Croatia, Bosnia-Herzegovina, and the Federation should meet soon to prepare for signing an agreement on property and legal rights and a protocol on visas. The aim is to further regulate the return of Bosnia-Herzegovina refugees from third countries via Croatia.

On this occasion, a joint council would be appointed for coordinating the regeneration of the Republic of Croatia, Bosnia-Herzegovina, and the Federation.

Special attention was devoted to the elections in Mostar, which are to be held on 30 June. It was agreed that the goodwill mission made up of the ambassadors of three countries—Croatia, Bosnia-Herzegovina, and Turkey—should be reactivated. It would visit Mostar, Stolac, Bugojno, Travnik, Vares, and other towns where there are special projects for the return of displaced persons.

Dr. Granic and Dr. Trnka confirmed the importance of the second session of the Federation forum, which is to be held on 27 June in Sarajevo. Agreement should finally be reached on the defense law, cantonal and municipal authorities, elections, the local government system in Sarajevo, and other issues of mutual interest.

Croatia: Refugees Demand Immediate Return to East Slavonia

AU2406200396 Paris AFP in English 1951 GMT 24 Jun 96

[FBIS Transcribed Excerpt] Zabreb, June 24 (AFP)—Croatian refugees from the border area of eastern Slavonia demanded Monday that the United Nations allow them to return immediately to homes they were forced out of in 1991 by rebel Croatian Serbs, Croatian television reported.

The refugees association for Croats from the eastern Slavonia border region told UN officials administering the transfer of the area to Zagreb's control that all Croat refugees should be allowed to return to their homes

The UN administration in eastern Slavonia has agreed a pilot scheme under which Croat refugees from eastern Slavonia whose homes are not currently occupied will be able to return from July 15 onwards.

The refugees said they should be allowed to return home regardless of whether or not someone was occupying their homes.

Many of those currently living in eastern Slavonia—mainly Serbs—are themselves refugees from elsewhere in Croatia or in Bosnia-Herzegovina. [passage omitted]

Croatia: Difficult Situation in Refugee Camp Noted

AU2506143396 Split SLOBODNA DALMACIJA in Serbo-Croatian 23 Jun 96 p 3

[Article by Jasna Plevnik: "People From Kladusa are Returning to Kupljensko!"]

[FBIS Translated Text] Kupljensko—The improvised camp where refugees from Velika Kladusa, its surroundings, and Cazin have lived under difficult humanitarian conditions, especially in winter, will probably not be relocated by 1 July as was planned. The camp, which the

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inmates often refer to as logor [Croatian for camp, connotes concentration or detention camp], houses approximately 4,000 persons today. When those people came to Kupljensko in August 1995, almost a year ago, their number was between 15,000 and 20,000. About 2,000 persons have agreed to be relocated to other camps, but the relocation has been stopped, as there is no more room in camps in Gasinci and Obonjan.

The remaining 1,500 to 2,000 persons do not want to be, as they put it, expatriated—they would prefer to return to their homes, but only if guaranteed personal safety, basic housing facilities, and employment. They hope that the upcoming elections might result in political solutions that would enable them to return safely. The preelection atmosphere can be felt in Kupljensko already, and we might say that Fikret Abdic's election campaign has begun, the camp being full of his posters saying "Long live Babo [Bosnian Muslim dialect for father]" or "Babo leads us to the future." There is universal belief—spurred by the preelection activities of Fazila Abdic—that Abdic and his People's Democratic Community will win and improve the prospects for the refugees from western Bosnia-Herzegovina.

While the UNHCR and its officials are doing everything on their part to terminate Kupljensko, which has become a symbol of tragic refugee life, a great number of young people, aged between 20 and 25, are entering Croatia illegaly through the woods on the border with Bosnia-Herzegovina. The wives and children of those who are waiting for relocation are also coming. About 2,000 have come during the past month. As a rule, they say that they cannot live in Una-Sana Canton anymore, and they hope to be sent from Kupljensko to some other camp in Croatia. However, they will probably be sent back to where they came from, as according to the new policy of the UNHCR they will not be given meal tickets. The new illegal inmates of Kupljensko claim to have come because they were abused in Kladusa, Cazin, and nearby villages. Unable to find jobs, return to their houses, or find protection from physical abuse, they can see no chance for normal life in their original homes. Those are not just empty stories, as reliable sources have informed us. Those people have come to Kupljensko with broken ribs, bruises, and other serious injuries, which proves that the actual security situation is far from what has been negotiated in ministerial meetings. The number of international police forces is too small to provide efficient protection from the brutal revanchism—spurred by the local media—the those people have been exposed to.

Despite the high temperatures, there have been no infectious diseases in Kupljensko, as the hygienic measures have been improved. The tents of the people who have left have been burned, and all possible measures for protection from infection have been taken. However, the health care situation for the refugees is difficult, as doctors are hardly ever available, and the refugees claim they are being charged a minimum of 50 German marks for medical services.

Croatia: Zigic Receives Embassy of Local Democracy Delegate

AU2106154996 Beli Manastir Radio Televizija Republike Srpske Krajine Television in Serbo-Croatian 1815 GMT 19 Jun 96

[FBIS Translated Text] (Friedrich Francois), delegate of the Embassy of Local Democracy, and his aids visited the Beli Manastir area today. They were received by Vasa Zigic, chairman of the Beli Manastir municipal assembly.

[Begin recording] The organization functioning under the supervision of the European Community, i.e. the Council of Europe, arranged today's meeting, the first of the kind, to get an insight in the situation on the territory of Baranja. They were particularly eager to learn more about local nongovernment organizations, like the recently founded Democratic Forum of Baranja and Association of Serb Refugees which has been active for a long time now. The embassy delegation said that the Erdut Agreement provides the framework for their activities explaining that the return of all refugees is a very important and sensitive issue. Assembly Chairman Vasa Zigic confirmed this, explaining the situation in the municipality which presently accommodates more than 18,000 refugees.

[Zigic] The situation is identical to that on the territory of Croatia, which means that they now occupy the houses of people who left those areas although they are aware that international law guarantees safety of property. Naturally, all those people who came to this area fleeing from the war want to return to their homes, but that must be a global humanitarian procedure providing for the return of all refugees on the territory of former SFRY [Socialist Federal Republic of Yugoslavia], the return of 6-7,000 Serbs from the Republic of Croatia presently living on the territory of Yugoslavia, the Srijem-Baranja district, or elsewhere in the world. All refugees in Baranja want to return, as I said, but if their human rights are not respected and if they are not given certain guarantees by the international community, they are determined to remain in the area, as stated in the Erdut Agreement. The agreement specifies that all those who had lived on the territory of the Republic of Croatia and later came to this area, have a right to remain and live here. [end Zigic]

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Vasa Zigic also said that this area remained multiethnic in spite of the war, which is not the case in the Republic of Croatia and that, almost half a million Serbs left Croatia last year alone. All that must be taken into account when discussing the return of refugees.

Discussing the issue, (Friedrich Francois) said that this is one of the reasons the Council of Europe is not ready to admit Croatia as a member yet. The Council of Europe will continue to demand a higher degree of democracy in those societies, especially when it comes to implementing the agreement signed in Erdut, enunciated and signed in Dayton and Paris. Regarding establishing communications between towns, the goal of the organization that will soon open its offices in Beli Manastir and Vukovar is to promote the civil society. After the meeting, Friedrict Francois, delegate of the Embassy of Local Democracy, said more about that:

[Francois] I came to Beli Manastir today to visit the chairman of the Executive Council and inform him of the activities of the Embassy of Local Democracy and to collect information, here in Baranja, that we could use for future cooperation with organizations and citizens. Our office and our embassy is a part of the program of the Council of Europe based on cooperation between towns focusing on promotion of human rights. Furthermore, we want to lend support to civil society, take part in economic recovery. In order to realize those goals, we need to cooperate with the local authorities. The purpose of today's meeting is to establish contacts to that end. Last week I held a similar meeting with the Vukovar authorities. I believe I have good reason to be optimistic about our future work and opening of our offices here in Beli Manastir. [end Francois] [end recording]

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FYROM: Gligorov on Council of Europe Assembly Session

AU2506200096 Skopje Radio Macedonia Network in Macedonian 1330 GMT 25 Jun 96

[Statement by FYROM President Kiro Gligorov, upon his return from the Council of Europe Assembly in Strasbourg, in Skopje on 25 June—recorded]

[FBIS Translated Text] This time, there were two important items. First, the Parliamentary Assembly of the Council of Europe, where the most sensitive relations in societies are viewed—such as human rights, minority rights, the law-governed state, regulations, and so on—had to be reminded that we have become a member. Second, we wanted to present to the Parliamentarian Assembly our views and the role of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in the region. I believe that we made a very good impression. I was asked a lot of questions following my address, I tried to answer as many as possible, and, in general, the two-day session of the Parliamentarian Assembly was a big event. We met the president of the Parliamentary Assembly and the secretary general of the Council of Europe, as well as the representatives of many countries who have parliamentarians there. Recently, the following questions have been very important in the Council of Europe: The results of the elections in Albania—there are divergent opinions in this area—and Croatia's admission, because the Council of Ministers had postponed its admission and, now that the Croatian Government has promised to fulfill the conditions, we will have to await the results. The number of the members of the Parliamentary Assembly has risen. We were the 38th country, but Russia and some other countries were accepted later. Now there are 40 states, and the tasks of the Parliamentary Assembly is not easy—it has to monitor the situations in all these countries regarding the respect of human rights, the laws, and so on. All this requires an enormous engagement, and I believe that they have become a little nervous in solving the tasks that they are faced with. As a whole, Macedonia is not a problem in the Council of Europe regarding our policy on human and minority rights. The laws that have been adopted by our parliament recently had been assessed by experts of the Council of Europe and had been harmonized. I think that, by September, we will have other conventions to ratify and our place in the Council will be more or less defined.

FYROM: Gligorov: 'Former Yugoslavia' No Longer Exists

AU2506202696 Skopje MIC in English 25 Jun 96

[FBIS Transcribed Text] "In future, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] should not be included in the mandates for former Yugoslavia. The mandates must be adjusted to our status as member of the Council of Europe, the OSCE [Organization for Security and Cooperation in Europe], as well as the appropriate missions of the UN," President Gligorov stated in his speech in the Parliamentary Assembly of the Council of Europe, in Strasbourg yesterday afternoon.

Emphasizing that the strengthening of the peace and security in the Balkans must start from the new political reality in the Balkans, from the fact that the former Yugoslavia disintegrated into the newly-created and internationally recognized states, Gligorov said: "All the former members of the federation are equal bearers of the legal continuity, they are successors to the former SFRY [Socialist Federal Republic of Yugoslavia]. It is not possible to make any other experiments and forcefully create a new state community in these regions."

President Gligorov emphasized that each of these countries are with their own perspectives and problems and that some of them have radically different approaches to the question of democracy, privatization and human rights.

"For these reasons precisely, we feel it is high time that the term 'former Yugoslavia' is stopped being used in the numerous discussions, and even the documents of various international forums, as such an entity doesn't exist," Gligorov emphasized. He said that Macedonia is working seriously on fulfilling the obligations it took over upon its accession as a full member of the Council, and announced that by September, the European Convention on human rights and all its protocols will be ratified, as well as some other documents of the Council.

Speaking of the realization of the minority rights in the country, Gligorov reiterated his proposal to draw up a Comparative study on the position of the national minorities in the Balkans. In response to the question of the Greek parliamentarian Pavhinis [name as received], whether the Macedonian-Greek negotiations in New York will resume, President Gligorov said that there is no problem that cannot be resolved through dialogue, mutual understanding and compromise, where ever there is a loss of the national identity.

At yesterday's news conference, in relation to the question of respect of the minority rights through the prism

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of the so-called Tetovo university, Gligorov said that such a serious institution cannot be established on the basis of a gathering of 10,000 people. "We should approach that question systematically. Macedonia has enabled the Albanians to educate themselves at both universities because, only by building up expert, pedagogic staff, can there be conditions for the education of all the citizens of the Republic of Macedonia."

President Gligorov had a meeting yesterday behind closed doors with the chairman of the Parliamentary Assembly Ms. Leni Fischer. At the meeting, President Gligorov expressed his views on the current situation in the Balkans, and in that context, also the respect of the human rights.

Gligorov also met with the Secretary-General of the Council of Europe Daniel Tarschys.

Answering to numerous journalistic questions, among the rest, Gligorov said: "If the nations of former Yugoslavia wish to be reconciled, then the leader of the Bosnian Serbs Radovan Karadzic must stand trial for war crimes. He must appear in court in order to confirm his guilt or innocence."

In regard to his prognosis as to the political prospects in Greece, following the death of Andreas Papandreou, Gligorov said: "There are no strong arguments as to how things will develop, but I have a political feeling that the arrival of Simitis as prime minister has led to some gradual smaller changes. Now, after Papandreou's death, it can eventually come to a denial of everything that he has done so far as the leader of PASOK [Pan-Hellenic Socialist Movement] and to further changes, but I have no illusions that official Athens can express diametrically opposite stances over the problem with Macedonia. Everything will depend on the internal regrouping in PASOK, but Simitis [Greek prime minister], in my opinion, is more realistic and more European oriented, and I expect some turns, although what took place so far on the line Macedonia-Greece has led to a better climate and has ended the stalemate."

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Poland: Text of Polish-Ukrainian Joint Declaration

LD2506170796 Warsaw PAP in Polish 1344 GMT 25 Jun 96

[FBIS Translated Text] Warsaw, 26 Jun (PAP)—Here is the full text of the joint declaration signed in Warsaw on 25 June by Polish Republic President Aleksander Kwasniewski and Ukrainian President Leonid Kuchma:

Polish Republic President Aleksander Kwasniewski and Ukraine President Leonid Kuchma, as a result of talks held in Warsaw during the official visit by the president of Ukraine to the Polish Republic on 25-26 June,

—expressing a mutual wish to open up fresh prospects in relations between the two states,

—supporting relations based on equal rights between the two states and peoples,

—being aware of their joint responsibility for strengthening security and stabilizing the political situation in the region of Central and East Europe and on the whole European Continent,

—recognizing Polish-Ukrainian cooperation as being a vital factor in the shaping of a new Europe,

—acting in the interests of their states and peoples, declare that:

1. Developing the parts of the treaty between the Polish Republic and Ukraine concerning good-neighborliness, friendly relations, and cooperation dated 18 March 1992, and acting in accordance with the contents of the declaration of the ministries of foreign affairs of the Polish Republic and Ukraine on the principles governing Polish-Ukrainian partnership dated 21 March 1994, they confirm their aspiration to develop a strategic partnership.

2. The existence of an independent Ukraine is a factor promoting the consolidation of the independence of Poland in the same way as the existence of an independent Poland promotes the consolidation of the independence of Ukraine.

The Polish Republic and Ukraine are striving to implement the concept of a joint Europe and to build a new system of European security in which both states will occupy a position that matches their aspirations and needs.

3. The Polish Republic and Ukraine recognize that observance of the commitments envisaged in bilateral and multilateral agreements within the framework of the Organization for Security and Cooperation in Europe, the Council of Europe, and the Central European Initiative will help to strengthen stability on the European Continent.

4. The active development of good-neighborly relations based on partnership between the two countries requires the continuation of a permanent and intensive political dialogue and the expansion of the legal and treaty-based foundation, which is tailored to the changes taking place in present-day Europe.

5. Being aware of the key importance of the economic factor in the process of bringing the countries of Central and East Europe closer to European standards, the Polish Republic and Ukraine will deepen economic cooperation, particularly in the spheres of heavy industry, the machine-building and conversion industries, the construction industry, the pharmaceuticals industry, agriculture and the processing of agricultural products, transportation, communications, and the management of natural resources.

The aspiration to liberalize bilateral trade and the creation of an appropriate system for carrying out the mutual settling of account operations and of a mechanism for supporting export, import, and investment activities and for exchanging experience and mutual assistance in the implementation of economic reform were recognized as being an important process.

The Polish Republic will support the aspiration of Ukraine to join CEFTA—the Central European Free Trade Association.

6. Recognizing the irreversibility of the changes that have taken place in Europe in the past few years and taking into account the new alignment of forces and the creation of a qualitatively new type of interstate relations, above all in Central and East Europe, the Polish Republic and Ukraine recognize that the creation of an effective European (?security system depends) on how the concept of Polish-Ukrainian partnership is implemented in practical terms.

This partnership, which in present-day conditions is based on joint European interests, will help to deepen and strengthen cooperation between the Polish Republic and Ukraine and all of the states of Central and East Europe. Both states will attach particular importance to relations with states of the Euro-Atlantic region with which they have relations based on close partnership.

7. The Polish Republic and Ukraine will render each other mutual support in seeking the fastest possible integration with European economic and political institutions and security structures, taking into account their state interests.

In particular, the sides will regularly exchange experiences in the sphere of the practical steps aimed at integration with the European Union.

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8. Both countries express themselves in favor of equal relations between states and noninterference in the internal affairs of other states, and they will also counteract the creation of a division of the continent into "spheres of influence."

9. The Polish Republic and Ukraine recognize the right of every state to enter into international political, economic, and defense structures.

The presidents of the Polish Republic and Ukraine addressed themselves with understanding to their mutually declared stances on the issue of the widening of NATO. They acknowledged that no state has the right to veto the sovereign decisions of another state on joining the defense alliance chosen by it. The process of the widening of NATO ought to be an evolutionary and open one and also contribute to the strengthening of political stability and security in Europe.

The presidents agreed that the active implementation of the Partnership for Peace program, which is a significant contribution to the strengthening of regional stability and security, is an important issue and also spoke about the coordination of the efforts of both states on this matter.

The Polish Republic and Ukraine will, in a spirit of good-neighborliness, exchange information and experiences on these matters. For the above purpose, the Consultative Committee of the Presidents of the Polish Republic and Ukraine will meet at least four times a year.

10. Affirming that there has ensued a stimulation of military cooperation between the Polish Republic and Ukraine, the presidents feel that work on the creation of a joint Polish-Ukrainian unit for participation in UN peace operations and other security structures is particularly important. The sides feel the development of cooperation between military districts adjacent to the border and the continuation of joint military exercises to be necessary.

11. The sides acknowledge prospective Polish-Ukrainian military and technical cooperation, including joint work on new forms of contemporary military technology and armaments for the military needs of the armed forces of the Polish Republic and Ukraine. Both states will pay particular attention to cooperation in the area of conversion of military production.

12. Influencing relations in the social sphere, both states will consistently comply with democratic principles and values recognized by the international community and also assure adherence to fundamental legal and human rights.

The sides will make efforts to satisfy the spiritual, educational, and cultural needs of the Ukrainian national minority in the Polish Republic and the Polish national minority in Ukraine, in the context of the functioning of free and democratic civil societies.

The sides attach particular importance to the mutual familiarization and understanding of both nations. For this purpose, the following will be created: the Polish Cultural Institute in Ukraine (IKPwU) and the Ukrainian Cultural Institute in Poland (IKUwP).

The presidents of the Polish Republic and Ukraine will support the activity of extra-governmental and social organizations directed toward deepening the process of understanding between our nations.

13. The presidents of the Polish Republic and Ukraine acknowledge that an important factor in Polish-Ukrainian rapprochement is the widening of interpersonal contacts and also cross-border cooperation in the economic, social, cultural, and ecological spheres.

The sides will be active in support of the development and modernization of the infrastructure of border crossings.

In association with the above, the presidents will be active in support of the further development of cooperation in the framework of the Bug and Karpaty Euroregions.

Poland: Kwasniewski, Kuchma Agree on Importance of Russia

LD2506180596 Kiev UNIAN in Ukrainian 1430 GMT 25 Jun 96

[FBIS Translated Text] Warsaw—Ukrainian President Leonid Kuchma believes that Russia will deal with the new security structure and the processes taking place on the European Continent no matter who wins the presidential election. At the same time, Kuchma told a news conference on 25 June that NATO "should not ignore the stand by Russia, which showed its intention to come to an understanding with NATO," a UNIAN correspondent reports. Kuchma said Ukraine regarded NATO "as a collective security mechanism rather than a defensive union."

The Ukrainian president expressed the conviction that "democracy will triumph" in the [presidential] elections in Russia.

Polish President Aleksander Kwasniewski told the news conference that Russia, developing as a democratic state, "will become a weighty factor for stability in the world."

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"The making of democracy in that state will stimulate democracy in the neighboring countries. The world community should proceed from the fact that there will be no stability without a democratic Russia," the Polish president believes.

Poland: Polish, Ukrainian Presidents Hold News Conference

LD2506204296 Warsaw TVP Television First Program Network in Polish 1730 GMT 25 Jun 96

[Relayed by Warsaw TV Polonia Network in Polish; passages in quotation marks are recorded]

[FBIS Translated Text] During an official visit by Ukrainian President Leonid Kuchma to Warsaw, Poland and Ukraine have said that no state can oppose another state's membership in a defense alliance chosen by it. Ukraine confirmed that it does not oppose NATO's expansion.

The presidents described the declaration signed today as a strategic partnership.

[Kuchma in Ukrainian with superimposed Polish translation] "This is a special strategic partnership between Poland and Ukraine because there are no differences today with regard to our future. There is a tremendous will for cooperation and assistance. We have a common vision of European and world development."

[Reporter] In the declaration, Ukraine confirmed that it does not oppose NATO's expansion. During the talks, President Kuchma reiterated his proposal to create a nuclear free zone in Europe between the Black and Baltic Seas.

[Kuchma] "Our view is that we did not get rid of nuclear weapons in order for our neighbors to now have such weapons."

[Reporter] According to President Kwasniewski, any declarations on this issue by the Polish side would be premature.

[Kwasniewski] "Before starting negotiations with NATO on Poland's membership in the organization, we must have the knowledge that NATO membership, on the one hand, means security guarantees but, on the other, also means obligations. One cannot start negotiations by setting conditions. Such negotiations must be very open. Poland is preparing itself for such negotiations."

[Reporter] Journalists asked the presidents whether they discussed the development of the situation in Russia.

[Kwasniewski—gestures toward Kuchma] "Who is closer to Russia?"

[Kuchma] "Yes, we discussed Russia. I am convinced that democracy will win in Russia. However, I also think that, irrespective of the outcome of the elections, Russia will take into account the new balance of forces in Europe. I would also like NATO to take into account the interests of Russia, which, like Ukraine, must not be isolated."

[Kwasniewski] "I can only add: God and the electorate help us, so that these processes are consolidated in Russia."

[Reporter] An agreement on visa-free travel was also signed during the visit by the Ukrainian president. Poland will be the first European country where, in a few months' time, Ukrainians will be allowed to travel without visas.

The agreement on the exchange of property stolen during the war will make possible the return to Poland of the Ossolineum Library from Lvov and the return to Ukraine of the Taras Shevchenko Library, currently housed by the National Museum in Warsaw.

President Kuchma encouraged businessmen to increase Polish investments in Ukraine, which so far have amounted to $11 million. The Polish side proposed granting credits of $25 million to Ukraine to provide a stimulus for its economy.

This evening, the Ukrainian president met representatives of the Ukrainian minority in Poland.

Tomorrow he will deliver an address in parliament.

Poland: Rosati Views 'Strategic' Partnership With Ukraine

LD2506123996 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 25 Jun 96

[FBIS Translated Text] Minister of Foreign Affairs Dariusz Rosati has said that Poland treats Ukraine as a strategic partner. In the view of the minister, one of the main subjects of the bilateral talks [currently in progress] is economic cooperation.

[Begin Rosati recording] We are striving to create a situation in which this visit [by Ukrainian President Kuchma] will create a certain impulse toward a wider entry of Poland onto this market. The issue there is as follows: That Poland, despite the fact that we are a very close neighbor and that we have these historical ties—we are constantly relatively invisible as regards economic matters. We are in a relatively distant position as regards economic exchange. In association with this, we will be discussing how to improve economic relations. [end recording]

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Minister Rosati also said that, before the negotiations with NATO on the subject of our entry into that organization, Poland cannot accept or support the Ukrainian proposals for the creation of a nuclear-free zone in Central-Eastern Europe.

[Begin Rosati recording] Our security concept rests above all on entry to NATO. This is what we might call the foundation stone, around which we will be building our subsequent moves. But, until we establish with the NATO countries the formula for our participation, we cannot at the moment either accept or support such a concept because, quite simply, we will not be setting any prior conditions before the membership negotiations. [end recording]

Poland: Korean Prime Minister on Cooperation With Poland

96EP0075A Poznan WPROST in Polish 26 May 96 No 21, p 17

[Interview with Yi Su-song, prime minister of South Korea, by Andrzej Szoszkiewicz; place and date not given: "A Tiger's Leap"]

[FBIS Translated Text] [Szoszkiewicz] Poles are watching hopefully for economic cooperation between our country and Korea. Can Poland become to Korea the same bridge to West Europe as Great Britain used to be for Japan?

[Yi] This is not a proper comparison. I have the impression that economic matters overshadow other essential aspects of our cooperation, which we should develop in parallel. This is my first time in Warsaw, and I have arrived to initiate what would rather be building a plane of agreement between Poland and Korea than a bridge to some more distant parts of the continent. The success and staying power of Korean investors depend on whether mutual trust can be built between our nations. In my opinion, this can be helped by a better understanding of our history and cultural contributions. History has not been kind to both Poles and Koreans, but once we won our freedom, we learned to appreciate it. Many cultural similarities between our peoples can be found. We must first build a cultural and spiritual community of our two nations before considering a lasting economic cooperation. This is my goal as the head of government, responsible for all domains of life and not just the economy. If we decide to invest in Poland on a scale rarely encountered worldwide, that is because we have confidence in you. You on your part should feel confident likewise that you are transferring your enterprises to good hands.

[Szoszkiewicz] But what would be the strategic purpose of investing "on a scale rarely encountered worldwide"?

[Yi] Once we build mutual trust, we shall, by united effort, conquer not only Europe but also Asia.

[Szoszkiewicz] How is that trust to be built?

[Yi] First, we have to learn about each other's cultural accomplishments and facilitate interpersonal encounters. We intend to establish in Korea the Frederic Chopin Academy of Music so that our young musicians will become acquainted with the works of that great composer. We shall invite Polish artists to give concerts in our country. We hope that Korean musicians, too, will be applauded more often in this country. I admire your painters and feel certain that exhibitions of Polish art will attract tremendous interest in our country. I personally asked that the itinerary of my tour here include a visit to Warsaw University. The Korean ambassador to Poland, Chong Ki-ok, has long been trying to have the Korean language taught more widely at Polish universities. We realize that registering a greater number of students for such courses will require our financial assistance. In the immediate future we intend to provide scholarships for study in Korea for Polish university students and faculty. We want to invite three or four times as many scholars and students as we have at present. Another issue is to sign as soon as possible an agreement between our airlines for a direct air link between Warsaw and Seoul. This would markedly shorten the "distance" between our countries.

[Szoszkiewicz] Has your visit to Poland produced specific economic results?

[Yi] It is as yet hard to say whether this visit has produced spectacular results. This is merely the beginning of something bigger. Poland seems to be a highly attractive venue for our investments. On my visit I am accompanied by 25 representatives of Korean business, including the directors of the largest companies. This is only in the nature of a reconnaissance that is to bear fruit in establishing contacts with Polish businessmen who are interested in cooperating with us. Owing to personal encounters and the possibility of surveying your economy, we can expect bigger and better-conceived investment projects—and not just for the next few years but in the much longer run. We are now planting a tree of understanding on which spiritual rapport and lasting economic ties are to sprout.

[Box, p 17]

Yi Su-song is 57 years old. In 1961 he completed his law studies at the National University in Seoul. He joined the faculty at his university and got steadily promoted. In 1971 he earned his doctorate in law and in 1972 he became full professor. During 1988-90 he was dean of the law department. In March 1995

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he became the president of the National University of Seoul. He was elected an officer of the Korean Criminology Association and the Korean Association of Victimology. In December 1995 he became the prime minister of the Korean Government.

Poland: Military Circles Approve U.S. Hornet Lease Offer

WS2506135696 Warsaw SZTANDAR in Polish 24 Jun 96 p 1

[Unattributed report: "U.S. Offer for the Polish Air Force"]

[FBIS Translated Text] The U.S.-based McDonnell Douglas concern and the U.S. Navy have presented the Polish Government with a project politically backed by Washington to lease secondhand F/A-18 Hornet fighter bombers as early as in a couple of months.

After a necessary overhaul, seven aircraft from the U.S. Naval Air Force reserves could start serving Poland as early as next year. The first group of several dozen pilots currently attending a comprehensive course of technical and military English could use them for training purposes.

The Americans are offering to lease the first seven Hornets for a period of five years. The total cost (training, service, spare parts, but no armaments) is estimated at nearly $170 million, which we would have to pay back within five years.

As we unofficially learned, the offer was met with the approval of Polish military circles. The commanders of the Polish Air Force want the $170 million offered by the Americans to cover the cost of leasing 12—and not seven—Hornets, which would allow the establishment of the first Polish fighter squadron made up entirely of Western aircraft.

Poland: UOP Chief Alters Surveillance Orders

WS2506134496 Warsaw SZTANDAR in Polish 21-23 Jun 96 p 2

[Article by Malgorzata Dragan: "UOP Will Not Surveil Strikers; Change of Orders"]

[FBIS Translated Text] The orders issued by the chief of the Office of State Protection [UOP] to monitor strikes in major companies have been changed. The amendments clearly prohibit surveillance and the establishment of intelligence networks in companies.

The secret orders of UOP Chief Andrzej Kapkowski, disclosed by Deputy Konrad Napierala of the Union of Labor, brought protests not only from opposition politicians—representatives of the All-Poland Trade Union Agreement, the coalition partner, were also upset. In the course of hearings before the Sejm Secret Services Commission on Thursday [20 June], UOP officers assured deputies that even in the previous version the orders did not allow for surveillance operations.

Also yesterday [20 June], the Sejm commission investigating the so-called Oleksy case convened. It will not turn in its final report before the summer recess. The report answering the question of whether state organs handling the case operated legally will be published most probably on 21 August. After yesterday's hearings, Tadeusz Iwinski of the Democratic Left Alliance, a member of the Commission, said that two UOP officers involved in the "Oleksy case" will be confronted with each other.

The commission heard General Bogdan Libera, the former chief of intelligence, once again. Asked by reporters whether he would ever answer any question, the general replied: "The time is not yet ripe."

Justice Minister Leszek Kubicki said yesterday that no investigation would be launched into the activities of General Marian Zacharski within UOP. Thus far, no notification of a committed offense has been submitted.

Poland: Weekly Discusses State Surveillance

WS2606110596 Warsaw POLITYKA in Polish 22 Jun 96 pp 32-34

[Article by Andrzej Krzysztof Wroblewski: "Surveilling, Tapping, Sounding Out; You Do Not Need Counterintelligence To Know About Strikes"]

[FBIS Translated Text] *A new front line has been created in the battle for the Office of State Protection [UOP]. In the Polish People's Republic, the Security Service [SB] had too much say; at the beginning of the Third Polish Republic, the UOP had too little. Does it have enough today?*

The line that separates government adherents from the opposition also divides opponents in the following contention: Is it legal to monitor (via surveilling, tapping, sounding out) the situation in enterprises or, rather, to renounce eavesdropping and so forth? The UOP law, passed in the romantic beginnings of the first spring of the Third Polish Republic, had to be amended last year because reality had revealed its imperfections.

"We wanted to restrain the unlimited power of the police, and we carried things too far in the opposite direction," acknowledged the coauthor of the law and also the first UOP head, Krzysztof Kozlowski.

More and more, vicious bandits fired at policemen as if they were wild ducks. Last year's amendment

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to the police law extended policemen's right to use their guns, gave them the prerogative of controlled purchase and provocation, and so forth. All of this is strictly supervised, and yet... People had enjoyed their freedom to the full but desired greater security. Forbearance and rigorism are not affiliated with any particular political orientation; fate willed it—at first, Solidarity governments subdued the law, then leftist authorities made it more stringent.

"The Justice Minister wanted the amended law to forbid UOP entrance into enterprises," says Freedom Union Senator Krzysztof Kozlowski, "and I tried to talk him into leaving an open door: There is so much shabby business..."

That minister happens to be today's prime minister, Wlodzimierz Cimoszewicz, who, just like Minister Siemiatkowski, accepts orders from the UOP chief.

The authorities believe that reason and law require one to keep an eye on any area where the state's vital interests may be endangered. The amendment to the previous UOP law, Article 1, Point 2, Part 2A: "It is UOP's responsibility to...discern and prevent crimes against the economic foundations of the state and to prosecute their perpetrators." This entails tracking not only economic fraud but also moods that may turn into social unrest: For instance, a threat to blockade the coal transport routes up-country from Silesia—is it not a crime against the state's economy?

Yes, replies the opposition, keep an eye, but not the eye of counterintelligence. When we were in power, we also had to deal with unrest (let us recall the road blockades by Lepper's Self-Defense). For that particular reason, we established in UOP the Office of Analysis and Information [BAI] to collect information about what was happening in the country without the use of operational techniques (which is, as we know, an elegant name for all of the tapping and surveillance). And only when BAI signaled that the law was imperiled did we reach for police measures; we applied them just to the extent demanded by the threat.

Indeed, no counterintelligence is necessary to find out that the Gdansk shipyard workers are getting ready for a walkout. But perhaps it is necessary to detect the popularity of the leaders and the chances of suppressing the strike.

In the press office of the Ministry of Internal Affairs, I have been shown lists of economic crimes that found their way to the public prosecutor or even to court but that would never have seen the light of day if UOP had not had its eyes and ears open in the enterprises. Elektromis. Agnella. PBK in Wyszkow. Proxy. Perfect Agio. Drugs, containers, arms. Trillions of zlotys.

Even more! The ministry's spokesman, Ryszard Hincza, believes that quite a number of strategic branches of Polish industry would have been fleeced by our own or foreign businessmen had UOP not deterred them. UOP will soon have its Fourth Directorate to take up a more effective struggle with economic offenses.

Fighting crime is something different from controlling social moods, claims the opposition. The SB had developed the Fifth Department, with its people in each large enterprise, but even that did not prevent the fall of the Polish People's Republic. Therefore, the order of the UOP chief order is not only immoral but also futile.

This dialogue could go on endlessly. The present UOP leaders maintain that they are not doing anything different from what their predecessors did. The predecessors claim that they resorted only to white intelligence, never to a spy ring. The present leaders say that they have evidence—the notes of Prime Minister Suchocka and Minister Milczanowski written in their own hands. The previous leaders insist that the present ones are lying. The present ones allege that, in order to prove that they are not lying, they would have to do the same as Deputy Napierala—reveal a state secret.

Nearly every day a UOP official is either dismissed or resigns. All over the world, the secret police act on the edge of the law. This requires mutual confidence and loyalty. In the meantime, our UOP is leaking and bursting from divisions into "us" and "them."

The other day, a high UOP official told me in private whom he expected to be dismissed: he named himself, a few others from the head office, then the bosses from Bialystok (up to this point the prophecy has come true), Szczecin, Bydgoszcz, Krakow.

[Box, p 33]

I Was Given Mush

Jozef Oleksy, former prime minister: When I was prime minister, relations with UOP were very official and formalized—as they should be. So it was impossible even to dream of special, custom-made information. The prime minister was given whatever had been submitted: briefings of various kinds concerning the state of affairs in different fields, to a great extent about foreign issues. Internal news was scanty. It did not tell me much, sometimes as much as a press release. I mentioned that once or twice, including at a National Defense Committee [KOK] meeting. I was not interested in how the information had been collected; I assumed it ws in a legal and permissible manner. I pointed to

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the character and superficiality of the relations but, because of the diarchy of that time, the subordination to Lech Walesa, and Andrzej Milczanowski's supervision of the ministry, I suspected I was fed mush, whereas the comprehensive and specific information was being supplied to somebody else; but this feeling was not based on anything specific.

I Was Not in the Distribution Index

Andrzej Zakrzewski, head of the Office for Presidential Services, on Lech Walesa:

My relations with the secret services were, I should say, quite unilateral. I did not take an interest in them. Perhaps it was wrong because, as a historian, I probably would have learned many interesting things. Seriously speaking, no UOP reports ever reached me; I did not belong to that distribution index. Did I need them? As head of the group providing political services for the president—rather not, as a minister of state—no again, but as a presidential adviser—I could have found them several times—for instance, when I was dealing with national minorities. Even so-called white intelligence would have been enough. At least one thing is comforting—even though I did not see the products of the secret services, Lech Walesa got to know them.

Aleksander Malachowski, deputy Sejm speaker: The idea of UOP collecting information and transmitting it to the government is accepted all over the world. Why support 6,000 people just to let them walk the streets?

Hanna Suchocka, former prime minister:

The contents of the UOP document are evidence of large-scale tapping, as revealed by POLITYKA a few weeks ago.

Tadeusz Mazowiecki, former prime minister:

In a period of transformation, the prime minister has many duties more important than reading UOP reports.

[Box, p 34]

Germans Defend Their Constitution

The German Constitutional Defense Office [BFV] is subordinated to the Ministry of Internal Affairs and, of course, to a parliamentary commission, and is responsible for collecting information about activities threatening the Constitution and the internal security of the state. Just like agencies in particular countries, the central BFV, with its head office in Cologne, has no executive police force. However, in collecting information it has the right to employ intelligence techniques—that is, watch people suspected of contravening the Constitution, recruit and insert agents into groups under surveillance, control mail, tap telephone conversations in accordance with the law and certain procedures.

The Constitutional Defense Office publishes annual reports on threats to democracy and freedom. The reports mention extremist organizations and point to basic trends that imperil the constitutional order. The BFV reports are the grounds for state organs, the media, and social organizations in their political battles against extremism.

The 40-odd years of the BFV have witnessed a few public debates on the competence and control of the Constitutional Defense Office. The fiercest debate took place in the 1970's in connection with the social liberal government's resolution on the "ban on civil service positions for extremists" and in connection with the BFV surveillance of groups suspected of supporting terrorism. At that time, the Constitutional Defense Office's activities were criticized by several intellectuals who accused the BFV of "being blind in the right eye."

[Box, p 34]

They Demand and Appeal

From the Council of Ministers ordinance of 30 July 1990 on defining the procedure of employing state institutions, economic enterprises, social organizations, and citizens to help agents of the Office of State Protection:

In accordance with the UOP law, "The Office of State Protection agents (...) engaged in operational-reconnaissance and inquiry- investigational activities (...) have the right to:

1) require indispensable assistance from state institutions,

2) appeal to companies and social organizations for necessary help,

3) ask every citizen for immediate aid in cases of emergency."

Allowed to demand or appeal for help are "authorized heads of organization units of the Office of State Protection engaged in operational-reconnaissance and inquiry-investigational activities." Such appeals should be made in writing.

UOP requests help from the managers of state institutions, economic enterprises, and social organizations, and, only in cases of emergency, from other people employed in these institutions. "State institutions are

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obliged to provide the required help," whereas the assistance of companies and social organizations may be sought only when they have agreed to it.

If activities conducted in conjunction with UOP agents are state or official secrets, the people who rendered their assistance are obliged to keep the secrets. Refusing permission to help UOP is also confidential.

Citizens who offered their help to the Office of State Protection may be rewarded.

The ordinance was signed by the Chairman of the Council of Ministers, Tadeusz Mazowiecki.

Poland: Minister, Police Clash on Organized Crime Divisions

WS2506121296 Warsaw GAZETA WYBORCZA in Polish 20 Jun 96 p 4

[Article by "KES," PAP: "Defense Minister on Organized Crime Divisions; I Was Misinformed"]

[FBIS Translated Text] "The Police Headquarters misinformed the leadership of the Ministry of Internal Affairs on police divisions for organized crime," said Interior Minister Zbigniew Siemiatkowski in a statement issued yesterday [19 June].

Police Chief General Jerzy Stanczyk subjected 21 regional organized crime divisions previously subordinated to the central Police Headquarters [KGP] to voivodship headquarters. "Interior Minister Zbigniew Siemiatkowski," we learned from KGP spokesman Andrzej Przemyski, "ordered that new police officers employed by these divisions are to receive lower salaries than their predecessors."

Yesterday Siemiatkowski wrote that the KGP leadership had assured him that "the suggested ordinance only regulates the structure and operations of regional divisions of the Bureau for the Combat of Organized Crime." The minister claims that the KGP assured him the ordinance had been consulted with the police trade union, but it failed to inform him that these decisions "considerably changed working and pay conditions for the officers." The interior minister is demanding a written explanation from the chief of police.

Supporters of the restructuring suggest that the organized crime divisions will be more manageable in the voivodships. Deputy Interior Minister Andrzej Anklewicz assured deputies of the Confederation for an Independent Poland and the Freedom Union last week that the reorganization would enhance the effectiveness and coordination of combating organized crime.

Adversaries claim that the subordination of the organized crime divisions to the voivodships will entangle them in local associations between the police and business, and lower wages will cause an outflow of cadres. The critics also fear that the KGP leadership will view the creation of 600 new positions in the regions as part of the plan to reduce administrative staffing at the KGP, which the chief of police has announced several times.

We asked Leszek Miller, head of the Office of the Council of Ministers taking part in the U.S.-Polish talks on the combat of international organized crime groups, whether the most recent changes in the organization of the organized crime divisions will weaken them.

"We have to wait for a expert evaluation of the results of the changes," Miller replied. "There is no reason that we cannot back out if it turns out that they have a negative impact on the services."

Poland: Prime Minister Wants Elections Held as Scheduled

LD2506125896 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 25 Jun 96

[FBIS Translated Text] Prime Minister Wlodzimierz Cimoszewicz has said he will do everything for the parliamentary elections to take place as constitutionally provided for—that is, in the fall of next year. In an interview for Polskie Radio, the prime minister expressed the view that the September election date is the most probable one because the proposals for them to be held earlier have met with the disapproval of most of the parliamentary groupings:

[Begin Cimoszewicz recording] For the promises of this government to be fulfilled, for the principles of a democratic state finally to come about in Poland, and so, among other things, for parliament and the government to function just as the Constitution envisages, and, finally, from a concern for the image of Poland as a stable country, not only economically but also politically, I will for my part do everything for the elections to take place in the general time frame—at least of the time constitutionally provided for. [end recording]

Poland: PSL, SLD in Favor of Continuing Cooperation

WS2506142396 Warsaw GAZETA WYBORCZA in Polish 24 Jun 96 p 4

[Article by "AZ, ZYG, PAP": "Public Polemics in the Coalition; the Red Sun of the SLD"]

[FBIS Translated Text] *Both coalition parties "made some threats" to each other on 22 June. Neither of them is going to split with the coalition.*

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On Saturday the Polish Peasant Party [PSL] held a voivodship congress in Plock. Among the participants were [PSL Chairman] Waldemar Pawlak and Senate Speaker Adam Struzik. Quite surprisingly, Struzik was very critical of the "demagogues of the Democratic Left Alliance [SLD]."

"Those who are trying to frighten the PSL with the prospect of dismissing ministers and voivodes, those who are dredging up things that have long been erased, are not playing fair," Struzik fulminated in front of 200 PSL delegates. He said that, within the SLD, "there are demagogues and players who are dreaming of restoring the old satellite system, where only one sun shone: the red one."

According to Struzik, the PSL still needs allies, and the SLD can remain its ally if it gives up the "old, patronizing habits." "It needs to be recalled that the SLD is strong only if it is with us," Struzik warned. "Without the PSL, it will find itself in the opposition once again. However, this time it will stay there for a longer period of time, and it will be futile to smile at and try to woo the liberal oppositional groups."

The SLD was also quite active in criticizing its coalition partner. "A yellow card [a penalty in soccer] for the PSL for placing signatures on the motion requesting dismissal of [Privatization] Minister Wieslaw Kaczmarek," Jerzy Szmajdzindki, secretary general of the Social Democracy of the Polish Republic, said at Legnica on Saturday. He added, however, that he does not think that the PSL will endorse this motion when it comes to the vote.

Poland: Trade Unions, Industry Lobby on Privatization

WS2506131296 Warsaw POLSKA ZBROJNA in Polish 20 Jun 96 p 2

[Article by "AXW": "Lobby on Strategy for Industry"]

[FBIS Translated Text] *On 19 June, at the Rawar Warsaw Radio Plants, an agreement was signed on cooperation in strategic industrial branches. The signatories were the Polish Industrial Lobby [PLP] and a number of trade unions operating in companies of major importance for state security.*

"In view of the strategic meaning of the branches of industry for the entire economy and the necessity for Poland to retain its economic sovereignty, decisions about their future should be made in parliament, under the control of independent social forces—in particular, the trade unions," we read in the document.

PLP experts focus on privatization projects for the power, arms, aviation, chemical, or fuel industries. "We are disturbed by the fact that such important decisions are being made in secret, behind the closed doors of the officials' offices, without any consultations," state the signatories of the agreement.

Trade union representatives and the PLP see "the draft energy law, currently resting with the Sejm, providing for the access of third parties" as a major threat to the Polish economy. They claim it poses a threat of huge losses, quoting the example of the British who implemented solutions resembling those provided for in the Polish draft.

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Romania: Regional Instability Seen If NATO Entry Denied

AU2506185796 Bucharest ADEVARUL in Romanian 17 Jun 96 p 1

[Editorial by Dumitru Tinu: "NATO Pushes Romania Toward Having To Defend Itself"]

[FBIS Translated Text] Fascinated by the electoral show, which again included the traditional mud throwing among the candidates, sessions of spiritualism involving putting the names of the dead on the ballot lists, tragicomic commentaries on the national importance of the ink [to be used by voters to stamp their voting slips], and so on, perhaps many of us did not realize that, meanwhile, plots are being set up to oust Romania from the European game. Defense Minister Gheorghe Tinca noticed this in due time, however, and therefore he sounded the warning signal in Brussels. In an interview with the REUTERS agency, just before the North Atlantic alliance ministerial conference there, the Romanian minister cautioned, using absolutely clear terms, about the perils of the NATO train racing past Romania. And if this is to really happen, as Bucharest might be considered a too remote station in the eastern European landscape, this would endanger not just the political, military, and economic reform in our country, Tinca pointed out, but even regional stability would become questionable.

The Romanian minister's warning is fully justified. Ever since the collapse of communism in 1989, the North Atlantic Alliance has been unable to solve a dilemma: Although it would like to expand to the East, it does not want to upset Russia. After having offered the eastern Europeans the tin soldier game called Partnership for Peace to gain time, the Western leaders keep altering their plans depending on the medical bulletins issued on Yeltsin's health condition or on Zyuganov's or Zhirinovskiy's nationalistic outbursts. In exchange for their open moral support, expressed by holding the G-7 conference in Moscow, as well as a quite consistent material support, with the infusion of several billion dollars in the form of credits, the West eventually managed to obtain Moscow's consent for the expansion. Obviously, this consent depends on certain preconditions imposed by the Kremlin leaders. It seems that someone has to be sacrificed to satisfy Russia. The fact that Romania might be this victim made Minister Tinca go public with his almost desperate warning addressed to the leaders of the alliance, calling upon them to consider, as earnestly as possible, our country's NATO integration efforts.

Abandoning and isolating Romania would be an irreparable mistake on behalf of NATO. First, because this would be an act of defiance with respect to the overwhelming majority of our country's population, as 95 percent of Romanians have declared that they favor joining the NATO; this percentage being the highest in all of central and eastern Europe. The only ones who would profit from such a decision would be the extremist forces, who would know how to turn to their own good account the feelings of unfairness and frustration that would spread over our entire nation. Minister Tinca is not making threats at all when he asserts that, in such a case, Romania would be left with no other choice but to reconsider its military doctrine, as well as its defense and security policy. It is quite obvious that while our integration into the European Union cannot be made before taking very precise measurements, and we are aware that we have to attain a certain economic performance level—a very difficult thing, for the time being—before we can join them, in the case of NATO integration, the decision is a strictly political one. If one does not question the sincerity of the highly praising declarations made by NATO officials and U.S. military personalities regarding their cooperation with the Romanian Army within the Partnership for Peace, one is unable to comprehend the reasons why Romania should be left outside, to the benefit of the Czech Republic, Slovakia, Poland, or Hungary. Are any of these countries at a more advanced stage regarding the reform in their armies or in achieving interoperability with NATO? As far as we know, they are not. And under no circumstances does any of them have a strategic importance similar to Romania's, a country placed at the mouth of the Danube River and with direct access to the Black Sea.

Regardless of how many comforting declarations the NATO members may make, it is impossible to soften our impression that a discriminatory decision to the detriment of our country could be the result of pressure exerted by certain circles interested in keeping the tension between Romania and Hungary alive. The perils of an arms race being triggered between these two countries are not without foundation. The preferential admittance of Hungary would be grist to the mill of Hungarian extremism, which would make it mandatory for our country to strengthen its defense capacity, as it would be left to resolve its security problems on its own. And is it not strange, to say the least, that the issue of Romania's possible admittance in a second stage would then be left up to Budapest? Because such is the rule in the North-Atlantic Alliance: such decisions are made by consensus, only. Something is rotten about this entire story. On the one hand, certain very serious gentlemen, foremost of whom is NATO Secretary General Javier Solana, keep reassuring us that everything is okay and there will be no discrimination, while, on the other,

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different gentlemen, no less serious than Solana and including prime ministers of NATO member countries, are working out preferential lists, which, obviously enough, do not include our country. Mr. Tinca touched the sore spot when he said that the possible admittance solely of the Visegrad Group countries [Poland, the Czech Republic, Slovakia, and Hungary] would look like a bargain struck by Germany and Russia to limit the NATO expansion. It would not be for the first time that Romania would be abandoned to the whim of the German-Russian poker bid. It has happened before. Nevertheless, let us hope that, this time, the West will evaluate with lucidity the consequences of such a desertion. Especially considering that Romania is not the same country it was in the past.

Romania: Bond Issues Reduce 'Dependence' on IMF

AU2506164896 Bucharest VOCEA ROMANIEI in Romanian 22 Jun 96 p 1

[Unattributed report: "Romania Has Ceased To Depend Exclusively on the IMF"]

[FBIS Translated Text] Romania's having penetrated the world private capital market so late—after 16 years—is due to the fact that the Ceausescu regime repaid our foreign debts before the set deadlines, which led to a negative reaction of that market regarding Romania. As a consequence of this, beginning with 1990, the authorities in Bucharest could only obtain foreign financing from the IMF, the World Bank, and the EBRD [European Bank for Research and Development]. Currently, however, Romania's access to the private capital market has put an end to our exclusive dependence on the IMF.

This year, thanks to the issuing of two series of bonds on the international capital market, Romania has gained access to every form of foreign financing, Mugur Isarescu, the governor of the BNR [Romanian National Bank], said on 20 June. Romania's intent is to achieve full flexibility in foreign financing, so that would not have to depend exclusively on a handful of international financing organizations, such as the IMF or the World Bank, Isarescu added. "Financing from the private capital market is an alternative to the loans granted by the IMF and the World Bank, without, however, implying the exclusion of the latter," the BNR governor pointed out.

In the months of May and June, Romania issued two series of bonds on the Japanese and European private capital markets, worth $500 million and $225 million respectively. The financial resources obtained by Romania by issuing the aforementioned bonds are intended to supplement the country's hard currency reserves. "The money that was brought to our country has a precise destination, and, from now on, we will have to conduct a prudent economic policy so as to achieve a durable macrostabilization," asserted Daniel Daianu, the chief economic expert at the BNR.

The risk rating recently given by international agencies to Romania may be considered as positive, and this opened the way for our country to access the private international capital market. "That rating was given to the country, rather than just the BNR or any of our political parties, and this rating can become better or worse depending on the evolution of our national economy," Daianu added. The BNR governor declared that he hopes that the bonds issued by the BNR will be followed by similar bonds to be issued by Romanian public corporations, banks, and economic companies.

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Slovenia: Kucan Says EU Must Overcome 'Old Hostility'

AU2506123096 Vienna DIE PRESSE in German 24 Jun 96 p 11

[Interview with Slovene President Milan Kucan by Irene Miller "on the fifth anniversary of Slovenia's independence"; place and date not given: "The EU Must Overcome the Borders of the Old Hostility in Europe"]

[FBIS Translated Text] [Miller] Italy has stated conditions for Slovenia's association with the EU; namely, a change to the Slovene property law. However, the rule (contained in the appendix of the EU association treaty) whereby anyone who has lived in Slovenia for three years can acquire property is seen as giving Italians who left Slovenia after World War II priority in acquiring property. What do you say to that?

[Kucan] In the spring of last year, Slovenia accepted virtually all the conditions for associate membership stipulated by the EU. They include the condition that within four years Slovenia permit foreigners to buy property, which also means that the pertinent clause in the constitution has to be changed. The problem arose with Italy, which dictated this condition at the time and made its consent conditional upon Slovenia altering the property law in such a way that the problem of option-takers [Optanten] is dealt with differently than elsewhere, for example in the Treaty of Rome. Option-takers are those Italians who left the free territory of Trieste when the London Agreement came into force in 1954. Slovenia has adhered to the Treaty of Rome and has also paid the envisaged compensation, which was transferred to a trustee account in Luxembourg.

In any case, apart from the EU conditions, Italy also named its own specific terms. Our wish was to separate bilateral problems from the multilateral ones, and that also complied with the stance of most members of the EU Commission, including Austria. Unfortunately, Italy did not concede, and Spain, as EU duty chairman, sought a compromise. This compromise now reads as follows: All EU citizens who have lived in Slovenia for three years and have the necessary purchasing power may purchase property once the agreement has taken effect. That applies not only to Italians but also to citizens of all EU member countries. The second condition, of course, is reciprocity.

Everything else is a question of purchasing power and, of course, the readiness of the Slovenes to sell their property. In other words, it is also a question of patriotism.

[Miller] Do you think Italy could apply further pressure, for example to have the borders revised, which has always been mentioned, and do you think a division of Italy as called for by the Lega Nord would increase this danger?

[Kucan] Italy and Slovenia will certainly have to hold further talks about the problem of optants. If Italy continues to dispute the Treaty of Rome, we will have to take a close look at it together and examine why. Until then, the principle of pacta sunt servanda applies, of course.

On a human level, some people of course suffered injustice at the time. But war is always unjust, and because of the war virtually everyone in Europe suffered great injustice. The war ended with an agreement on the future European order, also including borders. The border between Slovenia and Italy—at that time between Yugoslavia and Italy—was finally fixed in the Osimo treaties in 1975. Officially, the question of borders has never been on the agenda, not even under the Berlusconi Government. It has only been raised by representatives of the neofascists. We consider our border final, and to raise this issue anew would be a major European problem.

[Miller] What about the Lega Nord?

[Kucan] The movement sparked off by Lega Nord primarily involves efforts to increase the influence of the northern provinces on Rome's policies. This is an Italian domestic issue, and Italy is bound to find a solution to it. We have agreements with Italy, and we want them to remain in force.

By the way, Slovenia has had very good cooperation with North Italian regions like Friuli, Venezia-Giulia, and Lombardy. That is an old tradition, and primarily involves the economic sphere.

[Miller] The EU euphoria in Slovenia seems to have dissipated. Is that right, and do you attribute this to Italian pressure?

[Kucan] Certainly, on the one hand the EU is being much less idealized in Slovenia now. The earlier idealization is being supplanted by a more rational view. This is the result of the experience which the Austrians also went through and is also an effect of relationships within the EU and the difficulties which, for example, Great Britain is having with this mad cow disease. Naturally, pressure from Italy or Italian coercion, as the Slovenes call it, has also played a role.

In my opinion, everything suggests that even within the EU one should urgently consider what exactly the EU is. It is obvious that it cannot be just an economic union. It is also clear that the EU cannot just consider how to improve its own decisionmaking mechanisms, what

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contributions are to be paid into the budget, what kind of transport regulations there ought to be, what kinds of subsidies and contingents, and so on.

If there is a will to form a political unit out of all this, then one must consider what values can provide the basis for this federation, and how one can revive the ideals of Schuman, De Gasperi, and Adenauer as the first principles of European integration.

To put it in quite pragmatic terms, the EU is really faced with a double task. It must find ways of intensifying its own internal relations; in other words, it must prove capable of thinking in terms of Maastricht. At the same time it is faced with the task of expanding to central and eastern Europe. But that also means incorporating the thoughts expressed in Berlin. Both tasks are difficult and mutually linked. Yet Slovenia's confidence in the EU largely depends on these two tasks.

[Miller] Talking about Schuman, the EC was originally set up in order to overcome old hostilities. With reference to this, how far eastward should the EU be expanded? All the way to Russia?

[Kucan] Absolutely. The principles of the EC arose under a reality marked by the existence of two blocs. The transcension of the old hostilities concerned that part of Europe west of the Iron Curtain also in order to equip the West for a confrontation with the eastern bloc. The West succeeded in achieving a very high degree of integration. But now the Iron Curtain is gone. The EU's purpose can no longer be linked to confrontation with the East. Cooperation with the East can be the EU's only purpose now. That of course also means that the limits of the old hostilities must be overcome at the point where they were historically situated. The Germans and Poles have already shown how to do this. Of course, there remains the question of how far Europe extends. To the Urals or to Russia's western border?

There is only one clear answer now. It is dangerous to isolate Russia. However, views differ widely on what nonisolation of Russia might mean.

[Miller] In the conflict in ex-Yugoslavia, we have experienced this confrontation between Russia on the one hand and the EU and United States on the other often enough, but only on minor issues, thank God. Did you have the feeling that a kind of dispute by proxy had emerged?

[Kucan] There is one thing one must consider. The border between the eastern Roman Empire and western Roman Empire runs through former Yugoslavia. This is quite often forgotten. But I keep talking about this because I want to remind people that two European Christian civilizations met here, an eastern one and a western one, and that the Yugoslav state, which was an artificial creation, incorporated this contradiction. When Yugoslavia collapsed, this difference resurfaced. Russia's influence on Serbia and the eastern part of Yugoslavia became noticeable, but it would be an exaggeration to say that a confrontation between the EU and Russia had emerged. In fact, not even the EU countries had uniform interests concerning a solution to the Balkans crisis. To be more exact, the conflict of interests in the Balkans was similar to the one before the outbreak of World War I, taking into account the separation in time, of course. I think the war was only stopped through America's intervention. Of course, the question of the efficiency of European security mechanisms, that of the OSCE [Organization for Security and Cooperation in Europe] to be exact, arises.

All this indicates that Europe is facing a major hurdle, and that first of all it has to consider its own integration and not its divisions. But unfortunately, the pressure of the past, that of the former divided Europe, is still overwhelming, and this pressure is expressed also in the Balkans, also in Bosnia.

[Miller] Do the Slovenes feel they share a certain common fate with and a sense of responsibility for the people of former Yugoslavia?

[Kucan] The Yugoslav state existed for 70 years. Historically speaking, that is a very short time in the history of the southern Slavs, much too short to form a historical bond, especially because the expectations of these people have been thwarted twice during this period, once during the monarchic dictatorship, and again when the ideals of socialism were disgraced. Also destroyed was the principle of equality, the only real basis for coexistence.

In Yugoslavia, we Slovenes demanded a respect for our national identity, and were prepared to recognize that of the others. We wanted Yugoslavia to open itself to a process of integration, and we realized that far-reaching political and economic changes were necessary for this. The basic principles of this reform would have constituted the rights and duties of the individual as opposed to the principle of collectivity. That is why we are very sensitive to any violations of human rights, individual as well as collective. When these human rights in Kosovo were flagrantly violated by Yugoslav politics at that time, which was very strongly marked by Serb interests, we took sides with the Kosovo Albanians. In this way, we also sought to protect the rights of the Slovenes and the rights of every Slovene citizen.

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Today there can be no more talk of a collective consciousness or any kind of feeling of belonging to Yugoslavia. But one can still talk of a certain solidarity, solidarity with all those whose rights on the territory of former Yugoslavia are being violated today.

Slovenia: NATO Military Committee To Meet Next in Slovenia

AU2606073296 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 25 Jun 96

[FBIS Translated Text] The NATO political-military committee decided in Brussels yesterday to hold the next session of this committee in October or November of this year in Slovenia.

This is the first time that the committee will hold a session outside NATO headquarters in Brussels. The meeting, which will be attended by representatives of all 16 NATO members and 28 partner states, will focus on civilian-military relations and democratic supervision of the army. Special attention will also be paid to Slovene experiences in this respect.

The political-military committee is one of the main committees of NATO Alliance dealing with the Partnership for Peace.

Slovenia: Government Introduces Visas for B-H Citizens

AU2506155896 Belgrade BETA in Serbo-Croatian 1449 GMT 24 Jun 96

[FBIS Translated Text] Sarajevo, 24 Jun (BETA)—The Slovene Government has decided today to introduce visas for the citizens of Bosnia-Herzegovina as of 1 July, B-H Radio reports.

At the same session the government also decided to send an official note on its decision to the Embassy of Bosnia-Herzegovina in Ljubljana.

Last week the government in Ljubljana stated that conditions for the return of refugees from Bosnia-Herzegovina were not ripe and that it would extend their stay in Slovenia.

Slovenia: 4 Slovenes Among 12 Arrested in Osmium Affair

AU2606072296 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 25 Jun 96

[Report by Jure Pengov from Rome—recorded]

[FBIS Translated Text] The Naples investigation judge did what he said he would do at the beginning of this month. He forwarded to the Italian Justice Ministry a request for the interim arrest of 12 persons accused of involvement in the trade of arms, currency, and precious metals. All 12 of the accused live abroad, and the Justice Ministry will initiate procedures for their extradition with the countries in question over the next few days. Topping the list is a Slovene citizen Nicholas Oman, followed by Slovenes Janez Ravnik from Radovljica, Gorazd Misic from Nova Gorica, and Ivan Ruskovic, who reportedly lives in Dubrovnik. The remaining eight accused live in Switzerland, Germany, France, and the Netherlands.

The indictment charges the men with conspiracy with criminal intent, money laundering, and illegal currency trade, all linked to arms trafficking. The request for their internment is justified by the seriousness of the crimes of which they stand accused as well as to prevent the destruction of evidence. The indictment bill was expanded following the questioning of the Italian partners in the crime and after a search of the office of the Swiss attorney Rudolf Meroni, who is believed to be the central figure in the money laundering activities.

As is known, some osmium was discovered in a bank safety deposit box in Mestre a few days ago. The safety deposit box was in the name of Nicholas Oman and Lorenzo Mazega. Naples police arrested the latter yesterday. He has been on the run since the beginning of month, when the names of the foreign accomplices in the crime were revealed. According to all testimony so far, Mazega served as an intermediary between this international organization and Oman, primarily in the osmium deal, which reportedly originated from Russian sources; that is, from the local nationalist Vladimir Zhirinovskiy.

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Federal

FRY: Milosevic, Bosnian Serb Leaders Discuss Dayton Accord

LD2506133796 Belgrade TANJUG Domestic Service in Serbo-Croatian 1252 GMT 25 Jun 96

[FBIS Translated Text] Belgrade, 25 Jun (TANJUG)—The presidents of the Federal Republic of Yugoslavia [FRY], Republic of Serbia, and the Republic of Montenegro—Zoran Lilic, Slobodan Milosevic, and Momir Bulatovic—held talks yesterday with relevant representatives of the [Bosnian] Serb Republic, Biljana Plavsic and Nikola Koljevic, the office of the president of the republic announced today.

The meeting was held at the initiative of the leadership of the Federal Republic of Yugoslavia, and its aim was to enhance implementation of the Dayton agreement, something which is in line with the role of the FRY as a guarantor in the international sense that the Serb Republic will meet its obligations under this agreement.

Biljana Plavsic and Nikola Koljevic, the vice presidents of the Serb Republic, had been authorized to go to this meeting by the Serb Republic leadership.

At the meeting, the key issues of implementation of the Dayton agreement were discussed. It was concluded that the military aspect of the agreement is being successfully implemented in its entirety and within the set deadlines, but that there are considerable difficulties in the realization of the civilian part of the agreement.

A part of the leadership of the Serb Republic is refusing or avoiding the implementation of the Dayton agreement. The old practice of undertaking obligations and then avoiding them is being repeated. Certain capricious gestures against the Dayton agreement have caused negative reactions in the world and in the Federal Republic of Yugoslavia as well: the arbitrary rejection of the Serb Republic's participation at the Brussels conference caused huge damage to the Serb Republic the arbitrary, at first illegal and then legalized, decision to replace [former Bosnian Serb] Prime Minister Rajko Kasagic because of his cooperation with international representatives in the implementation of the Dayton agreement; the reluctance to resolutely end the obstruction of freedom of movement and despotism of the [Bosnian Serb] authorities toward the citizens; violence against supporters of political parties opposed to the policy of the Serb Democratic Party [Srpska Demokratska Stranka—SDS]; etc.

Such activity, which is directly obstructing implementation of the Dayton agreement, is today threatening the vital interests of the Serb people, the Republic of Serbia, and the Federal Republic of Yugoslavia, which is the guarantor of the implementation of the agreement at their request.

There is no explanation for the obstruction of the implementation of the Dayton agreement except personal interests, as it is beyond any doubt that the Dayton agreement is in the interests of the Serb Republic, all the citizens of the Serb Republic, and the Serb people in general.

During the talks held with the representatives of the Serb Republic, the presidents of the FRY, Serbia, and Montenegro learned that the highest representatives of the Serb Republic had hid from their own aides and from the assembly and the government of the Serb Republic that Carl Bildt, the high representative [of the international community for the civilian aspect of Dayton agreement implementation] warned them officially on 12 June that if they continue not to respect the Dayton agreement, sanctions will be reimposed on the Serb Republic, in line with Security Council Resolution 1022. Such consequences would endanger the vital interests of the Serb Republic and all its citizens, and indirectly, the Federal Republic of Yugoslavia.

Departure from the Dayton agreement and not respecting the obligations which were undertaken earlier, as well as the obligation in agreement with the high representative of the international community, Carl Bildt, represents a direct attack against the Serb Republic, the peace process in general, as well as the whole security structure, built in the region on the basis of the Dayton agreement, and measures for strengthening stability and confidence.

The arbitrary acts of several individuals are dangerous for the Serb Republic because the international community could label it as the side that is obstructing the Dayton agreement, and introduce sanctions against it. This would jeopardize the vital interests of all citizens, who have already suffered enough during the horrible events of the past years.

That is why it has been resolutely demanded that representatives of the Serb Republic warn the Assembly of the Serb Republic of all elements of their crucial stage in the implementation of the Dayton agreement, particularly in connection with preparations for the elections in the Serb Republic. The assembly must immediately adopt a decision providing for implementation of all obligations. In the present circumstances, it is necessary to immediately name an acting president of the Serb Republic with full competences and prevent the further the interests of the citizens of the Serb Republic in implementation of the Dayton agreement from being further endangered.

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The leadership of the Federal Republic of Yugoslavia stresses that the realization of the Dayton agreement in all its aspects fully protects the interests of the Serb nation and the citizens of the Serb Republic. To disrespect the agreement is certainly a way to destroy the Serb Republic and destabilize the situation in the entire region.

The Assembly of the Bosnian Serb Republic knows that at the Dayton peace negotiations, the Bosnian Serb delegation, in the name of the Serb Republic, addressed a written request to the delegation of the Federal Republic of Yugoslavia asking them to agree to be a guarantor of their implementation of the Dayton agreement. It is also known that without such a guarantee on the part of the FRY, there would be no Dayton agreement.

That is why, if the People's Assembly of the Serb Republic remains deaf to the legitimate demands of the FRY that it respects in full the Dayton agreement, the Federal Republic of Yugoslavia will take all measures, both against the institutions and toward individuals, who with their actions are making implementation of the peace agreement difficult and by doing this are threatening the interests of the citizens of the Serb Republic and the Federal Republic of Yugoslavia, the statement issued by the office of the president of the Federal Republic of Yugoslavia on the occasion of yesterday's meeting between the leaderships of the FRY and the Serb Republic said.

FRY: Kontic Insists on Persevering With Trade Liberalization

LD2506185896 Belgrade TANJUG in English 1759 GMT 25 Jun 96

[FBIS Transcribed Text] Belgrade, June 25 (TANJUG)—Prime Minister of the Federal Republic of Yugoslavia Radoje Kontic said in Belgrade on Tuesday that the government would persevere in its policy of liberalization of trade in an effort to adapt the Yugoslav economy to regulations of the world trade organization.

During a meeting with representatives of Yugoslav farmers' associations, Kontic said that agriculture was a strategic sector in Yugoslavia's economy, the Yugoslav Ministry of Information said.

Both sides agreed that moves for dealing with upcoming harvest should not trigger off inflation but that prices and the national currency should remain stable and agriculture be allowed to remain a factor of stabilization on the Yugoslav market.

Serbia

Serbia: Mira Markovic Opposes Division of Kosovo

AU2506203396 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 25 Jun 96

[Interview with Mira Markovic, president of the Steering Committee of the Yugoslav United Left and wife of Serbian President Slobodan Milosevic, in the Pristina studio of Radio-Television Serbia on 24 June—recorded]

[FBIS Translated Excerpt] [Passage omitted] [Unidentified correspondent] For a long time certain circles have been advocating the division of Kosovo and Metohija. This issue has become topical again in a quite inappropriate way due to the statement by a member of the Serbian Academy of Sciences and Arts.

[Markovic] I am a great opponent of divisions. I believe that at the current time, and particularly in our region, divisions cannot bring about anything good. The attempt to carry out such a division in Bosnia, as you can see, was not successful, and it drew the protagonists of this attempt into a tragic and senseless war. I think that any division in Kosovo would result in interethnic conflict, and I do not know when it would end, and I am convinced that such a conflict would result in a great number of casualties. I do not know how many years would have to pass to bring an end to a war over a meadow, over a creek, or over a city. I do not know what form the project for such a division would have to take to make possible the realization of the division of a territory in an easy, expeditious way without tragic consequences for its citizens, in which one would complete the division of a territory in such a way as to have two separate parts in which everybody would live happily and satisfied that they no longer live with the others. That is to say, not only am I against any division and not only do I question any benefits that such a division would bring about, but I am also convinced that a solution for Kosovo, as well as for the current age and the people living in it, is in the development of links between people and in their cohabitation on equal terms.

Serbia: Zastava Arms Workers Warn of Strike, Closure

AU2606113696 Belgrade NASA BORBA in Serbo-Croatian 18 Jun 96 p 9

[Article by Zoran Radovanovic: "President's Authority for 'Economic Support'"]

[FBIS Translated Excerpt] Kragujevac—"It has only just dawned on me that Kragujevac really is a blind ally.

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We must see, all together, why this is so and why money from the republic goes via the 'southern rail route,' for example to Vranje. It makes sense to talk about that with one man only, Slobodan Milosevic, who still does not seem to realize what the situation is like here. There is no more sense in talking to those below Milosevic."

These are the precise words that the mayor of Kragujevac, Zivorad Nesic, used last Friday [14 June] in his talks with the union delegation from Zastava Special-Purpose Products [Zastava namenski proizvodi]; the dissatisfied arms factory from Kragujevac have asked the city assembly to allow them to pay their bills for communal services and electricity in three installments, without having to pay any interest.

After the meeting with the mayor, the union leaders sent Serbian President Slobodan Milosevic an open letter, which has already been published, in which they ask him to use his authority to "support" their efforts to save the firm.

"Orchestrated" Action

The special-purpose products union told NASA BORBA yesterday that, if President Milosevic did not help this time, it could quite realistically be expected that the gates of the Zastava arms factory would be bolted up as early as the beginning of July.

"In fact, this week will be decisive, because several decisive meetings are to be held, both here in Kragujevac and in Belgrade. First of all, today in the local Hall of Self-Managers [Dom Samoupravljaca] there is an extended session of the City Union Council and we have invited representatives of the Serbian Government, the republic union, the city leadership, and all assembly deputies from Kragujevac, regardless of their political affiliation. We expect that this meeting will finally consider our problems," Zoran Nedeljkovic, president of the Zastava special purposes products union, told NASA BORBA yesterday.

He adds that at today's session of the Republic Government there will also be some talk about the problems of the special-purpose industry in Serbia. "According to reliable information," Nedeljkovic claims, "we expect that at today's session of the cabinet of Mirko Marjanovic it will be announced that the Army of Yugoslavia will be starting some business with Serbian arms factories to the tune of 70 million dinars. At the same time, the Army of Yugoslavia should agree to some deals with the Serbian special-purpose industry, which would employ 25 percent of its capacities.

"If these expectations of ours do not come true, at the session of the Republic Committee of the Union of Metal Workers scheduled for Friday, the Zastava Special-Purpose Products union will insist that the signed agreement with the government and the Chamber of Commerce of Serbia should be broken and a general strike called.

"In that case, we too, of course, will have our own protest campaign in the factory and the city," Nedeljkovic says, adding that in fact there is increasing talk of a joint "campaign" by the Kragujevac leadership, the Zastava management, and the city union, toward the state leadership of Serbia.

Although the leader of the Zastava Special-Purpose Products union did not explain what sort of "campaign" it would be, it is not hard to suppose, on the basis of the statement of Mayor Nesic, that there have been deliberations on a mass workers' protest because of the years of unjustified marginalization of Kragujevac and its economy.

How much all this (the meetings, talks, and planned protests) will help the somewhat shaken economy of Kragujevac remains to be seen. However, it should be noted that in solving the economic agony of Kragujevac, according to some analysts, the wrong course has been taken, i.e. the old communist way; thus, for example, the state president is requested to "use his authority to help," and, probably, provide the money. That means, instead of asking for a change in the economic system and the circumstances, the union people from Kragujevac and Zastava seem, on behalf of their dissatisfied and hungry members, to have asked for help according to the system of "pouring the empty into the void." [sentence as published]

Apart from this, a large number of those who know the circumstances at Zastava and Special-Purpose Products claim that the domestic production of arms, particularly military weapons, at the level that it was a few years ago has definitely come to an end. To support this claim, they mention that the Army of Yugoslavia has no money for purchases or any significant investment in arms production. At the same time,the Army of Yugoslavia has no need, at least for the time being, for any additional weapons, because in Florence an agreement on arms control in the states on the territory of former Yugoslavia has just been signed. [passage omitted]

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Serbia: JUL To Launch Own Television Station 1 Jul

AU2506164296 Belgrade NASA BORBA in Serbo-Croatian 22-23 Jun 96 p 16

[Article by J.P.: "TV JUL as of 1 July"]

[FBIS Translated Text] Belgrade—The JUL [Yugoslav United Left] will mark the start of its namesake month symbolically—by launching its own television station. As of 1 July, citizens will be able to watch the program of TV JUL in addition to existing stations.

The editorial board of TV JUL, as NASA BORBA has learned unofficially, will be located in the building of the former Agrarbank, on Nikola Pasic Square in Belgrade. After World War II this building was the seat of the Central Committee of the League of Communists for a while, after which journalists of the then ruling party took it over as the editorial office of the KOMUNIST newspaper. Later on JUTEL television station moved in. The Museum of the Revolution is also located in the building. There are rumors among leftist circles that the new television will be "sharp-tongued" and, as such, will be a rival to the existing television stations, even to the Radio-Television of Serbia.

Serbia: SPO Spokesman Says JUL Usurping Socialists' Power

AU2506145796 Belgrade BETA in Serbo-Croatian 1216 GMT 25 Jun 96

[FBIS Translated Text] Belgrade, 25 June (BETA)—Ivan Kovacevic, spokesman for the Serbian Renewal Movement (SPO), said today that the "nonparliamentary group" JUL [Yugoslav United Left] had taken over power in Serbia, and that there would not be any candidate of the Socialist Party of Serbia [SPS] on the electoral list put forward by the future coalition of the SPS and the JUL.

"The socialists are being persecuted. They are still not aware that they have gone into the opposition themselves," Kovacevic said at a news conference.

He said that Slobodan Milosevic "is the only politician in the world who has allowed his wife to destroy the party of which he is the leader," and called on the SPS membership to resist the "usurpation" of power by JUL.

Some opposition parties are showing a "tendency toward self-destruction" by refusing to join the coalition Together [Zajedno], Kovacevic said, without precisely stating which parties those are.

He also called on the members and voters of all the opposition parties whose leaderships do not want to join the coalition Together to vote for that coalition.

Milan Bozic, deputy of SPO to the republican parliament, said that a delegation of that party, following the invitation by the U.S. State Department, would travel to the United States, but the date of the visit has not been precisely determined yet.

Asked to comment on the possibility of Radovan Karadzic's candidacy for the president of the Serb Republic, Bozic said that it would be a "bad move" because it would cause antagonism on the part of the international community.

The elections in Bosnia are expensive and poorly organized, Bozic said, and assessed that nationalist parties have a great chance of winning the elections.

Serbia: Ethnic Hungarians Say Election Law Hits Minorities

LD2506175196 Budapest Duna TV in Hungarian 1600 GMT 25 Jun 96

[FBIS Translated Text] Recently the Serbian parliament passed an amendment to the electoral law. The opposition considers the amendment unconstitutional; therefore, it has turned to the Constitutional Court to examine the law.

According to the opposition, the amendment is unconstitutional because it was not approved by a two-thirds majority in parliament. The amendment is also disadvantageous for the minorities.

[Begin Csaba Sepsey recording—identified as deputy of the Democratic Union of Vojvodina Hungarians, DZVM] The ruling party clearly created this law to preserve its own power. At the same time, it is also trying to get even with the minorities to a certain extent. The boundaries of the constituencies were drawn in a way that the minorities—I mean primarily the Hungarians—are now divided into four or five constituencies. As a result, they will be unable to vote for their own candidates, or even if Hungarian candidates are put forward, they will have no chance—even in theory—of being elected. [end recording]

Serbia: Military Helicopter Crash Near Nis Reported

AU2506191596 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 25 Jun 96

[FBIS Translated Text] Today, at 1420 [1220 GMT], in the crash of a helicopter belonging to the Yugoslav Air Force, which occurred as the helicopter was landing at Nis airfield, Major General Mihajlo Zugic, aide to the chief of the Yugoslav Army General Staff, was killed. Color Bearer Milan Arsenic, an aerial engineer, subsequently succumbed to the wounds he sustained in

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the crash. Captain Pilot Radovan Vuckovic and Captain Pilot Goran Milekic were injured and are undergoing treatment in the military hospital in Nis. The site of the crash and the wounded have been visited by Gen. Momcilo Perisic, chief of the General Staff of the Yugoslav Army, Gen. Ljubisa Velickovic, chief commander of the Air Force and Air Defense, and Gen. Dusan Samardzic, commander of the 3d Army. A commission of the Command of the Air Force and the Yugoslav Army's investigative bodies are investigating the causes of the accident.

Serbia: Finance Minister Views Economic Problems

LD2506185996 Belgrade TANJUG in English 1757 GMT 25 Jun 96

[FBIS Transcribed Text] Belgrade, June 25 (TANJUG)—Serbian Finance Minister Dusan Vlatkovic stated here on Tuesday that the government of this Yugoslav republic will continue upholding the policy of the firm rate of exchange of the national currency, the dinar, and of the stable prices and limited budget, despite the difficulties in collecting the revenues and in paying out the state obligations.

Vlatkovic told a news conference that the "issue of money by the central bank will be relied solely upon the foreign exchange coverage, although what is constantly sought are the ways to spur on export-oriented production."

In noting that economic results in the first half of this year failed to live up to expectations, Vlatkovic pointed also to the weak collection of taxes and duties which resulted in an adverse balance in the state treasury and a debt of one billion dinars, the bulk of which being owed to the retirement-disabled fund, to the social institutions, health and medical services, and education.

Vlatkovic made it clear that the public spending expenditures in January-May equalled around 41 per cent of the "social product" (approximately GNP) and that the budgetary receipts varied at between 26 and 36 per cent of the annual plan.

Stressing that the burden on the economy would soon boil down to one-to-one ratio, Vlatkovic held that the commercial banks and the courts of the economy would have to decide what would happen to those enterprises which are unable to meet their obligations to the state.

Vlatkovic said that as of 1997, the value added system would begin to be introduced at all the stages of the production and trade processes.

Among the efficient measures aimed at shunting illegal economic operations to the regular tracks, Vlatkovic mentioned the introduction of standard excise control stamps on alcoholic drinks and cigarettes.

Director of the Republican Revenues Administration Mirko Kulic pointed out that during the last five months the finance police recovered 1.1 billion dinars (5 dinars to the dollar) from the different smugglers and traffickers.

Montenegro

Montenegro: Radical Party's Seselj at Meeting in Podgorica

LD2506183496 Belgrade SRNA in Serbo-Croatian 1517 GMT 25 Jun 96

[FBIS Translated Excerpt] Podgorica, 25 Jun (SRNA)—After being banned for two years from entering Montenegro, Vojislav Seselj, chairman of the Serbian Radical Party [SRS], visited Podgorica today and took part in a meeting of the SRS executive committee in Montenegro.

After the meeting the SRS leader spoke to journalists and stressed that he had no problems entering the territory of Montenegro and that he has again been given permission to hold political meetings in this republic.

He said that in the coming elections in Montenegro and Serbia, and at the federal evel, the SRS will run independently and will not enter into coalitions with other parties.

"In the election campaign we will cooperate with patriotic parties but we do not want a joint list with the People's Party because Kilibarda has already entered an unnatural parliamentary coalition with the separatists: the Liberal Alliance of Montenegro and the Social Democratic Party," Seselj said. [passage omitted]

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Montenegro: Over 200,000 Montenegrins May Get Free Shares

LD2506125096 Belgrade TANJUG in English 1223 GMT 25 Jun 96

["Ecopool" item]

[FBIS Transcribed Text] Podgorica, June 25 (TANJUG)—A privatization bill, on which the Montenegrin legislation will vote in July, would enable more than 200,000 Montenegrins to receive free shares.

This would be ensured through the distribution of privatization coupons, i.e. the capital transferred to one of the three republican state funds—the development fund.

The employees in the public sector who have at least three years of experience, old-age and disability pensioners who worked in the public sector and people who have been unemployed for more than five years would be entitled to the coupons.

The employed have the right to 3,000 ecus' (5,500 German marks) worth of privatization coupons, while the unemployed have the right to 1,500 ecus' worth of coupons.

Both groups would purchase shares, i.e. the capital of any company which is being privatized, from the development fund for the coupons.

The owners of the coupons will be able to sell them to privatization funds, which are still to be set up under the bill.

In this way, Montenegrins will own 25 to 30 percent of the capital. According to official interpretations, Montenegro would thus approach the czech model of voucherization.

Vojvodina

Vojvodina: Ethnic Hungarians Unlikely To Cooperate in Election

LD2506205496 Budapest Duna TV in Hungarian 1900 GMT 25 Jun 96

[FBIS Translated Text] Last weekend the Subotica regional organization of the Democratic Union of Vojvodina Hungarians [DZVM] unanimously decided that it will not enter into coalition with the Association of Vojvodina Hungarians [UVM] in this year's local and parliamentary elections.

Dr. Sandor Pal, deputy chairman of the DZVM, told the Subotica meeting that it is not a wise political decision to reject cooperation because there has been a decline in support for the DZVM abroad and at home, and it has also lost seats in local authorities. According to the deputy chairman, the two organizations should reach agreement on a minimum compromise level regarding the nationality issue and they must not politicize against one another.

However, Janos Vekas, another DZVM deputy chairman, said that if the Vojvodina Hungarians asre unable to draw a distinction between the two parties during the election then they are not ready for autonomy either.

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